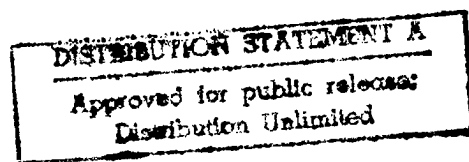


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9 September 1985

# Latin America Report



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9 September 1985

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INTER-AMERICAN AFFAIRS

SANGUINETTI, SARNEY TO MEET; ECONOMY, INFORMATICS ON AGENDA

Montevideo EL PAIS in Spanish 2 Jul 85 p 8

[Text] Rio de Janeiro, ANSA. The new Brazilian foreign policy strategists place a high priority on relations with Argentina and Uruguay whom they consider natural allies in the solution of the financial problems of their respective countries. "We are in an exceptional period of understanding, and the political and economic transformations which we are experiencing lead us to common action and not rivalry," said Olavo Setubal, Brazilian minister of Foreign Relations. He recently had contact with the Uruguayan Foreign Minister Enrique Iglesias. He said, "At our meetings we are stressing the need for joint action at various economic and political levels."

Olavo Setubal, former president of the Itau Bank (the second largest Brazilian banking institution) before taking over the post of foreign affairs minister, has been delineating courses of action aimed at reducing the size of the foreign debt. Although negotiations with the lending banks is the responsibility of the minister of finance, the foreign ministry takes the main initiatives linking the payment of the foreign debt with the obtainment of a favorable balance of trade.

This pragmatic policy had been already drawn up when he took over as head of the Foreign Ministry, to which he was appointed by deceased President Tancredo Neves. Setubal said, "The fulfillment of our foreign debt obligations presupposes our having a significant favorable balance of trade."

Under the new diplomatic concept of the Foreign Ministry, the prescription for solving our financial problems will be economic expansion. Within that framework, Brazil advocates intensification of trade relations in every direction, especially with our neighbors of the Southern Cone.

The official visit which President Jose Sarney will make to Uruguay on 12, 13 and 14 August is part of that strategy of strengthening the political, economic and cultural bonds between our two countries.

The Uruguay and Brazilian Foreign Ministries are preparing a tentative agenda of subjects which will be discussed by Presidents Julio Maria Sanguinetti and Jose Sarney during the first foreign trip by the Brazilian president.

Sources inside the Foreign Ministry assert that informatics is one of the most important subjects to be discussed since Uruguay has shown interest in acquiring Brazilian computers under the current scientific and technological agreement. Uruguay has a priority interest in studying with Brazil matters related to agriculture and livestock production in the light of mechanisms which will allow greater operational flexibility between our two countries.

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INTER-AMERICAN AFFAIRS

BRAZILIAN, URUGUAY BORDER CITIES SEEK CONSULATE POST

Montevideo EL DIA in Spanish 5 Jul 85 p 9

[Article by Ubaldo Rodriguez Bernal]

[Text] Artigas. The business people and other groups promoting the economic activity of this city and of the neighboring city of Quarai have organized a formal movement aiming at the permanent establishment of a Uruguayan consulate in that Brazilian city.

Months ago the Uruguayan consulate was reestablished with the posting of a career consul after 15 long years of innumerable efforts due to the importance for the development of the region of a consulate along with other requested actions. The request for the opening of a customs office at Corcordia international bridge pointed up, among other things, the permanent need for a career consul in Quarai since diplomatic business previously had to be conducted in Livramiento or Uruguayana which involve expense and loss of time.

Thus, in view of the government decision of relieving the career consul and appointing in his place an honorary one, the business people and other groups promoting the economic activity of both cities sent telegrams to the president of the republic, Dr Julio Maria Sanguinetti, and to Minister of Foreign Relations Col Enrique Iglesias requesting that a career officer remain there permanently.

The same concern was expressed by the official sectors as the municipal mayor Dr Luis Eduardo Juan and Chief of Police Hamilton Goncalvez took the same action because they realized the importance of the Uruguayan consulate, among other things, in the implementation of the so-called free trade zone plan, especially if we take into account the fact that Artigas has a Brazilian consulate headed by a career consul.

It should be added that a timely memorandum was delivered to the president explaining the importance of the consulate to the two communities. This was also delivered to the ministers whose responsibilities impinge on the ambitious project. There is concern, steps are expedited, but the news of the removal of the career consul had the effect of a bucket of cold water on those who thought they had succeeded in realizing a fond dream of the people of Artigas and Quarai.

ARGENTINA

ROUCO ON PERONIST FADING CHANCES IN NOVEMBER ELECTIONS

Buenos Aires LA PRENSA in Spanish 5 Jul 85 pp 1, 4

[Article by J. Iglesias Rouco: "The Destruction of Peronism"]

[Text] Even amid an economic crisis the worst phase of which has not yet begun, the Alfonsinist electoral prospects for the November elections are as excellent today as in October 1983; although perhaps more on account of the disintegration and lack of renovation plans within Peronism and the rest of the opposition than because of the management of Mr Alfonsin's government.

The fact is that, despite its bitter experience on 30 October, Peronism is still tied to its authoritarian past, lacking a political leadership that would be capable of gathering around it the "movement's" contradictory factions, and hence subject to the trade unions' "diktat," in other words, to an almost constant conflict between opposing, circumstantial interests. Hence, the forthcoming "unifying" congress at La Pampa will be, basically, the stage where there will have to be a settlement of the differences between the "62" and the "25," faced with a throng of politicians dependent on trade union power, who represent little or nothing in electoral terms; politicians who, if that were not enough, have just contrived a group of "top-level" alliances that are completely impossible, among other things, forcing them to stress that dependence on the trade unionists, and keeping alive the umbilical cord which still connects them with the name Peron, that is, with the lady in Madrid. It is, in fact, symptomatic, that not even "Isabelita's" written resignation has prompted those men to walk on their own two feet.

Lorenzo Miguel's Resurrection

Thus, in the alliance made a few days ago by Mr Saadi with the Messrs Herminio Iglesias, Lorenzo Miguel, Julio Romero and Martiarena, in preparation for the unification meeting, only Miguel shines, so to speak, with his own light, or at least is the only one (just as in 1983) who can impose Peronism's political leadership and its first national candidacy, although at all times keeping an eye on Madrid; a fact which, incidentally, applies even far more to the other Peronist political bosses and which explains why, at La Pampa, too, the party's presidency

has been reserved for the elusive Mrs Peron. After Mr Matera's recent struggles with the "62," on whose lists he attempted (unsuccessfully) to introduce non-unionist candidates (also in his confidence), there is every indication that Lorenzo Miguel and his right-hand man, Diego Ibanez, are unwilling to give up the space which, in their opinion, belongs to the trade union "branch" of the new council. It is not surprising that, under these circumstances, Mr Luder has chosen to remain aloof from the latest arrangements. Luder already had his trade union experience in 1983, when the men from the "branch" meddled in his speeches and dragged him to the platforms without any consideration for either his ideas or his shirts; and the constant shadow of Madrid does not elate the former presidential candidate either.

Perhaps he thinks (with or without reason remains to be seen) that, ultimately, the Peronist leaders will have to resort to him personally, without any further conditions. Even less noteworthy is the fact that, instead of going to La Pampa, Mr Lorenzo Miguel has decided to go to Rome. As a clever disciple of Vandor, he obviously does not want to participate in the struggles that will necessarily take place among his allies in Santa Rosa until the panorama has cleared up. Meanwhile, it will suffice that his assistants pull the strings there in keeping with his leadership plan, on which he can always put the final touches upon his return.

In short: through his control over the CGT [General Confederation of Labor], by way of Ubaldini, and over his party's various lines, this grand marshal of the defeat has now become the virtually indisputable key figure in the "movement." And, simultaneously, he has another interesting asset: the Radical-military-trade union pact that Mr Alfonsin is now offering him on a silver platter, after the many turns (as Miguel aptly puts it) that life has taken. Unquestionably, the chief of the "62" owes a great deal to Mr German Lopez.

Nevertheless, this does not mean that the plan of the secretary general of the presidency has not attained several of its most important goals.

In the first place, the Peronism that is establishing or reestablishing itself now is similar to that of 1933; involving speeches or individuals, a combination with which its defeat becomes certain again. In that connection, it might be suspected that the considerable political space that Alfonsin and German Lopez have recently given to Lorenzo Miguel had precisely that intention. Alfonsinism needs the Peronist marshals of November to be the same ones as in 1983; and more now than then, because of the increasing social tensions which the recession is triggering, and which would make it impossible for a Peronism associated with power (although lacking any of the advantages of power) to use it to its advantage.

Secondly, Peronism's internal divisions, which have become very deep during the last 18 months owing to the alternative maneuvers bringing several of its factions close to the Casa Rosada, precluded the predominance of any of them and, as a result, precluded the advent of a new or synthesized Peronism, with methods and

programs that might retrieve the electorate which Alfonsinism took from it in 1983, particularly that of the middle class.

The most recent of those maneuvers resulted in the Rio Hondo congress, encouraged and even conceived by the Casa Rosada, so that it might appear, on the one hand as a possibility of "renewal" for Peronism and, on the other, as a failed possibility; all of this with a drop by drop, so to speak, assistance. In this way, in a really brilliant operation, the Casa Rosada managed to stress even more the Peronist electorate's disillusionment; a disillusionment which the government completed by having several of its advisers give an impetus to Britos and the other Rio Hondo representatives to negotiate with the Odeon leaders. And, finally, Alfonsin extended his hand to Lorenzo Miguel, thereby killing two birds with one stone: He again put on the face of Miguelist or supposedly opposition Peronism the pact mark, which the Peronist "people" repudiate and, at the same time, through his mediation, he neutralized Mr Ubaldini, Lorenzo Miguel's leading minion or reserve in the CGT; in other words, the only Peronist figure not committed to the past, who had shown the ability to talk to the president on an equal footing in public.

#### Goal of the Peronist Liquidation

Now, all the government will need is its games of "agreement" (an agreement that it knows is impossible) to preserve its endeavor for the systematic destruction of Peronism. The more power Mr Lorenzo Miguel has (and the government is doing everything it can to let him have it, to the point where one of the latest appointments in the Court had Lorenzo's backing), the more power Alfonsinism will have in November.

A very similar effort for liquidating any possible opposition is being made by the government aimed at the so-called liberals. With its gaze fixed on UCD [Democratic Center Union], the Casa Rosada is now starting to court Mr Manrique (although in this case we must admit that the courting is mutual), Mr Romero Feris and even well-known conservative political bosses. But in this area its offensive may perhaps be aimed only at "centrist" dispersion. On the other hand, we don't think that it intends to drive the Peronist voters from their old "movement," with the notion of directing them toward PI [Intransigent Party]; at least it is obvious that it has "in mind" a post-electoral alliance on that side, which would not be foolish and would eventually reveal, among other things, the national-leftist-authoritarian direction that Alfonsinism may be intending to lend to its administration later on.

Nevertheless, although its ultimate goal regarding Peronism may be that of absorption, the intention of the government (or of some sectors of the government) of taking that direction would be the only logical explanation for this official determination to break up Peronism, in view of the populist, nationalist and left of center, or anti-West features of most of Peronism's non-Marxist electorate. Hence, concerning this clever maneuver of the Casa Rosada, the following would be a fitting comment: Tell me which votes you are seeking and I'll tell you what you intend to be. Obviously, Alfonsinism knows how to destroy its rivals, even better than Peron. It remains to be seen whether it will also know how to construct a nation.

2909

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ARGENTINA

SHIFT IN STUDENT POLITICAL ORIENTATION NOTED

Buenos Aires LA PRENSA in Spanish 5 Jul 85 p 7

[Article by Daniel Lupa: "The Liberal Rebellion"]

[Text] Any political observer with a memory and an understanding of electoral dynamics could attest that the Argentine electoral spectrum has traditionally been heralded by the orientations occurring in that highly politicized microcosm of university student activity. This occurred as early as 1918, continued to occur during subsequent decades and in recent times was the barometer in 1973 and 1983.

For this reason, the government is beginning to view with uneasiness the results that have been cropping up in several of the country's universities (Mendoza, Neuquen and Buenos Aires are the preliminary examples), whereby Franja Morada, even in alliances with the most varied segments of the left (Intransigents or Communists) and of Peronism itself, has been reduced to an increasingly minority group.

The displacement of Franja Morada by UPAU (Union for University Openness), a group of an unquestionably centrist, liberal type, with the agglutination of virtually all the political movements and factors of the country's broad moderate spectrum, is an obvious reality that has been appearing in a rather steady fashion since last year, and turning out with practical results since the start of this year's university political activity.

In Mendoza, the first example, which occurred in May, UPAU (democrats and UCD [Democratic Center Union] members comprise its cadres and leadership) received a whopping majority in the first elections held in the country to replace the leadership at a student center: that of the School of Economic Sciences of Cuyo National University.

In that election, UPAU displaced Franja Morada, receiving 42 percent of the vote, while the Radical group ranked only third, with 26 percent, leaving second place in the hands of a leftist coalition (Intransigents, leftist Peronists and Communists) which, combined, took 33 percent of the vote.

## Ideology and Power

Nevertheless, the results attained by UPAU in the National University of Buenos Aires Law School, in late June at the end of last week, appear even more significant; more significant, it is worth noting, because the student positions contributed implied a deep ideological content. This was the plebiscite to determine the program of studies at that educational institution, the curricula and the general features of the instruction. UPAU raised a banner of opposition to the program proposed by the dean of that educational establishment (Eugenio Bulygin), and proposed its own, of an obviously traditional, conservative type, based on a definitely liberal orientation. Franja Morada, in a coalition with the Communist Party, the Intransigent Party, the Peronist left and other groups of the same tendency, upheld a program almost identical to that proposed by the dean's office. The results were a call to attention not only for the university councils but also for the government's political area: UPAU won 47 percent of the vote, and Franja Morada, in a coalition with the entire left, took only 26 percent. The result is all the more significant because, in September of last year, Franja Morada had been accused by UPAU of "committing fraud in the elections" in which, however, if the impropriety was committed, it only helped the Radicals to score that identical 26 percent attained now (but without last year's alliance of the leftist sectors), whereas UPAU was allowed to take 19 percent. Now, UPAU (if those results were correct) increased its vote from 19 to 47 percent, and based on a clearly and definitely ideological issue.

The situation becomes more critical for the evaluations of the government at a time when it would appear to be confident that, through the economic plan, it could take votes from the political center. But the situation must be subject to even more conditions: Just as it is known that the university results and orientations usually reflect the overall orientation of the voting list, it is also known that the orientation processes (and sometimes the processes of rebellion, as may be observed in the current process) in the University Federation ordinarily start with the School of Law and Social Sciences, the most politicized school and also the one that usually sets the direction in the matter.

## National Expansion

The phenomenon which occurred in Mendoza and which has now appeared in Buenos Aires seems to constitute a general process which has determined the growth of UPAU since the end of last year, previously limited to Buenos Aires, and currently extending to the most varied sections of the country. At Cuyo University itself, UPAU was non-existent, and now, apart from the School of Economic Sciences, it has members listed in nearly all the schools comprising it. A Mendoza member disclosed: "In the School of Medicine, we have put a telephone number on a blackboard to answer those who were in agreement; the friend who owned that telephone could not continue studying or working, because the phone calls were in the hundreds every day" (sic).

Moreover, in Neuquen, where there is no centrist party structure yet, a UPAU slate, hastily established at the Engineering School of the University of

Comahue, received an initial 15 percent of the vote. The strange thing is that this represented 95 votes; whereas UCD, in the national elections for president, received only 130 votes in the entire district in 1983.

In fact, UPAU has, since October of last year, become organized in virtually all of the country's universities. There were a few obstacles at the Coastal University: "Unfortunately, the autonomist fellow party members, restrained by the leaders of their party, left the field open for Franja Morada and other movements," complained Carlos Maslaton, one of UPAU's architects and founders. Nevertheless, in Corrientes, not all the political sectors of democratic and liberal origin have blocked the action of UPAU. Deputy Ricardo Balestra introduced a bill sponsored by UPAU whereby it is demanded that the electoral courts oversee the student elections, as they do the trade union elections, to prevent charges of fraud, such as the one made against Franja Morada last year, at Buenos Aires Law School, and he has given his "backing and experience" to the student proposal.

There is every indication that the next elections (between August and October of this year, just before the national elections of 3 November) will show an image of student politics with unusually innovative features; and, most likely, the FUBA [University Federation of Buenos Aires] will come to have ideological positions considerably more in keeping with its democratic tradition, or at least more innovative ones in the country's present political and social context. Hence, the Radical government is reckoning up.

2909

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ARGENTINA

STATE ENTERPRISES FACING SEVERE ECONOMIC SITUATION

Buenos Aires CLARIN in Spanish 7 Jul 85 pp 20-21

[Article by Edgard Mainhard and Marcelo Bonelli; passages enclosed in slantlines printed in boldface]

[Text] In government offices the pencils are busy working at an arduous task: /erasing the huge--and long-standing--deficit of the public enterprises./ This is obviously a /difficult job;/ the Argentine Government controls /353 enterprises and has shares in 168 others./ Last year these enterprises yielded /losses of some \$2.1 billion./ In round numbers, they consumed /\$1 out of every \$4 worth of exports./ They cost /each of the 30 million Argentines \$70./ The hefty state "holding company" provides jobs, meanwhile, for /350,000 people./

The case of the /railroads/ is practically /legendary:/ Between January and April of this year, /\$99.6 million/ was lost its bottomless pit. But this generous figure represents /a success,/ considering that during the same period of last year, it had gobbled up /\$186 million/ in its race to attain first place among the deficit-producing companies of the nation. A private estimate that was reported to Congress early this year revealed that the /operating deficit,/ that is, without counting the financial results or overdue bills owed to suppliers, had reached nearly /\$669 million in 1984./ Economy Ministry officials, meanwhile, /were beating down the doors of a dozen countries trying to obtain a \$450 million loan to tide them over./

/Government Oil Deposits (YPF)/ regulations require that the state petroleum enterprise transfer its earnings to the Treasury, but last year its accounts (complicated, to be sure, by debts contracted abroad during the military regime) yielded a /loss,/ and a preliminary report that has only been circulated to a limited number of people in government offices states that it still owes /large sums/ to suppliers and contractors. The report adds: "Some kind of agreement with the Treasury/ will be required so that it can pay the fiscal debt and normalize its commercial debts to the private sector."

These are /just two examples/ of the fiscal deficit that feeds on--and in turn feeds--the tremendous disorder of the national economy. In the last 10 years, some 120 public enterprises have been liquidated or turned over to private hands, and stock in another 212 has been sold to the private sector. This was

/barely a palliative,/ however; public spending did not stop soaring, and the problems of the government enterprises did not cease either. This backed their administrators up against the wall. /The lag in public service rates has been used by some finance ministers as a strong curb on inflation, at the expense of these firms' health./ Within this fiscal holding company, /twelve of them/ account for /90 percent/ of all spending, although /their investments are at the lowest levels since 1970./

The government's stated /objective/ now is for /the public enterprises to bring their deficits down to zero, to wipe them out between July and December./ Between January and June, according to preliminary figures, they yielded a deficit equivalent to /2 percent of the GDP (some \$1.4 billion)./ In simple terms, this means that /for every 100 australs produced in the country, 2 were earmarked for covering the losses of the state's businesses./

#### Railroads: No Return

Even those with the least knowledge of economics realize, however, that the hemorrhaging of the railway's accounts can barely be contained. (/That red ink amounts to \$1.2 million per day,/ a figure which a former official says is what Israel needs to keep its powerful army mobilized for 24 hours.) Government officials seem to want to find /another firm within this holding company that will earn enough to fill up this voracious black hole./ Meanwhile, the government has intervened in the railroad enterprise in search of a way to balance its finances. It has additional problems as well: /60 percent of the network and the rolling stock, according to a government report, is in bad condition. Only 600 of the 1,100 diesel locomotives are operating at full capacity; the 80,000 cars the railroad possessed in 1960 have been reduced to 35,000; in 5 years, 65 percent of its total equipment will inexorably move into the "obsolete" category;/ with the exception of the cars used on the Roca electrical line, this sector has hardly seen any renovation; /revenues cover only 58 of every 100 australs the enterprise needs to pay the wages and salaries/ of its 105,669 employees (2 percent fewer than last December). It is plain to see that this firm has /two heavy nooses around its neck/ that are pulling in different directions: /the need for investments to modernize equipment, and the need to reduce the deficit./ The railroads are not the only ones facing this economic dilemma.

#### YPF: Rich but Broke

For those who are trying to predict the future of the economic plan, what is happening at YPF is /the key./ This enterprise /bills something like \$4.3 billion a year, but it is heavily in debt/ to the Treasury (in economic circles it is estimated that the debt amounts to about \$500 million) for back tax payments. It employs a total of 33,725 people, and the state petroleum enterprise has had approximately the same number of employees since 1955. Its problem has a financial root, however, and it derives from the foreign debt (a total of \$5,436,800,000) that has been accumulating since the days of /easy money./ The firm has a fleet of 25 ships (it had up to 59 at one time) which were built to transport crude oil from the wells in the south to the refineries in Buenos Aires; it also has a fleet of airplanes. A document drafted by government officials emphasizes the effects the economic slump has had on

the enterprise's accounts due to the resulting drop in sales. It also notes the decline in the prices of primary products (petroleum and gas) that began last March. At the same time, this analysis points out the inadequate assignment of personnel, "characterized by the duplication of administrative functions in various areas and the lack of operating personnel in others." A report written by a private analysts calculated that /the enterprise's losses totaled \$46 million by the end of 1984./

#### State Gas: Politics and Deficit

In 1984, /State Gas lost \$404 million,/ most of which can be attributed to purchases of gas from /Bolivia,/ a geopolitical decision that Argentina made years ago. This deficit is the /second largest/ among state enterprises, and it is also the result of operational difficulties that the firm itself diagnosed as /lower demand for energy/ on the domestic market, /the failure to meet targets for incorporating new consumers/ (which points to a future of more gas /burn-off/), /indebtedness,/ and a payroll of 10,000 employees that the Public Enterprise Supervisory Commission /does not agree with./ Without operational profits, the company's future is uncertain. Some specialists recall, however, that peripheral privatizations have been made successfully, such as the sale of the 45-cubic-meter pipelines for residential supply.

#### Water and Power: The Well Ran Dry

The water and power enterprise, according to an official report, is also suffering from a /weak financial structure./ As of last 31 January, it had \$2.879 billion in liabilities, most of them short-term loans in foreign currency. This huge debt entails /high financial costs/ for the firm /that it cannot meet with its own resources./ As a result, the National Treasury is paying off a substantial portion of these debts. In 1984, according to private estimates, /the Treasury had to shell out the equivalent of \$93 million./ The enterprise is also behind schedule on some projects, with the consequent loss in profits. It employs 12,000 workers, and in June 1984 it signed /an agreement with the Argentine Light and Power Federation to reduce the work-day./ Consequently, the company began taking steps to obtain a special decree to authorize it to fill 452 job vacancies.

#### ENTEL: Pilot Plan

/Ten telephones for every 100 Argentines/ is a figure heard all too often these days. There are 1.2 million requests for telephones still pending; these requests will be dealt with through bidding, which officials just opened. This could be /a decisive test/ for the incorporation of private capital in areas that until now have been managed exclusively by the state. Meanwhile, this demand /saturates the capacity of existing equipment,/ which in turn leads to /an unusually high percentage of customers waiting for telephone repairs; Argentina's average in this area is triple the world average./ An internal report drafted by the National Telecommunications Enterprise (ENTEL) devotes a paragraph to /the need to increase personnel training/ (it has 48,262 employees), improve its financial picture (it too has a hefty foreign debt), and solve the problem of the 15 percent drop in service

sales. In 1984, according to private estimates, this state company required \$45 million from the Treasury as a result of its operating deficit.

#### Pending Balances

Greater Buenos Aires Electrical Services (SEGBA) has /a very thorny problem: the hundreds of contrivances people rig up to avoid paying for the power they consume./ "The enormity of the problem," says an official report that has not yet been made public, is "tremendous, despite the controls that have been implemented. In the last 3 years," it goes on, "this loss /has exceeded \$110 million."/ A secondary problem is the current decline in electricity consumption, which is typical of any /economic recession./ In addition, this enterprise has one of the worst /liquidity problems/ of all public companies, according to the same report. The report also reveals that its payroll has expanded by 9 percent. Private calculations available indicated that it suffered operating losses of \$15 million in 1984.

The National Enterprise for Mail and Telegraph (ENCOTEL) managed to improve its earnings by raising its rates, which translated into /a rise of about 27 percent in its revenues from the sale of services/ in the first few months of this year. The enterprise has deficiencies in its distribution network, although it also suffers from /high levels of absenteeism in the form of "illnesses requiring long treatment programs,"/ according to an official report. The firm has 43,621 employees. Private figures indicate that ENCOTEL suffered an operating deficit of \$82 million in 1984.

The biggest stars in the constellation of money-losing public enterprises also include /Government Coal Deposits (YCF),/ which private studies say lost more than \$47 million; and the /Argentine Shipping Lines (ELMA),/ with an operating deficit in the order to \$15 million. The /exception/ was /Argentine Airlines,/ which earned \$25 million in profits.

These figures (and some of the data added to them) reveal the size of the challenge government officials face. Long--/very long/--years of imbalance are /the legacy that we are now trying to eliminate./

#### Deficits, Company by Company 1984 Results in Millions of Dollars

Empresa (1)	Ingresos netos (2)	Egresos (3)	Déficit operativo (4)
Ferrocarriles (5)	295	964	669
Gas del Estado (6)	635	1.059	404
Agua y Energía (7)	413	506	93
ENCOTEL	307	389	82
ENTel.	468	513	45
Y.C.F.	11,3	59	11,6
Y.P.F.	2.448	2.494	46
ELMA	111	127	16
SEGBA	667	682	15

(\*) Deducidos impuestos retenidos. (8)  
Fuente: Estudio privado. (9)

Key:

1. Firm
2. Net Revenues\*
3. Outlays
4. Operating Deficit
5. Railways
6. State Gas
7. Water and Power
8. (\*) Less taxes withheld
9. Source: Private study

### Personnel of Public Enterprises

Período (1)	Número de (2) agentes
1980	344.587
1981	330.859
1982	324.251
1983	336.326
1984	343.921
Primer trimestre de 1984 (3)	337.392
Primer trimestre de 1985 (4)	343.602
Fuente: SIGEP. (5)	

Key:

1. Period
2. Number of employees
3. First quarter of 1984
4. First quarter of 1985
5. Source: SIGEP

### Investment and Debts In Millions of December 1984 Argentine Pesos Total for the Country's Public Enterprises

Período (1)	Inversión	Deuda total (2)
1980	501.211	1.372.218
1981	438.118	2.453.768
1982	394.868	2.958.318
1983	449.460	2.748.572
1984	371.194	3.206.517
(3) Primer trimestre de 1984	82.297	2.751.281
(4) Primer trimestre de 1985	45.656	2.192.052
Fuente: SIGEP. (5)		



Key:

1. Period
2. Investment
3. Total Debt
4. First quarter of 1984
5. First quarter of 1985
6. Source: SIGEP

8926

CS0: 3348/848

ARGENTINA

## RAM MULTIPURPOSE LIGHT TANK TO BE BUILT LOCALLY

Buenos Aires ARMAS Y GEOESTRATEGIA in Spanish Vol 3 No 9 Mar 85 pp 5-13

[Article by Luis Maria Maiz: "RAM Multipurpose Light Armored Tank Will Be Built in Argentina"]

### [Text] 1. Introduction

Before fully undertaking consideration of the main topic of this article (the RAM multipurpose light armored vehicle to be built in Argentina with an Israeli license), it is fitting to recall briefly the nature of the exploration and reconnaissance missions and their requirements, which are the primary purpose of this type of vehicle.

In the first place, exploration is based on the twofold need to take the enemy by surprise and avoid being taken by surprise. The missions assigned to exploration units are of an unquestionably offensive nature (although the ideal is that they not engage in combat, retaining confrontation as a last resort), for which purpose they must be based on the mobility and speed of the vehicle and the good judgment of its crew members.

Obviously, the exploration units must be properly equipped for combat, that is, they must have fire power and suitable protection, but without overlooking the basic notion that combat is the means, and not the end. Modern doctrines of tactical leadership justify the loss of personnel, equipment and time entailed by combat only in the event that the mission assigned has been satisfactorily accomplished.

The present trend (particularly since the experiences of the Vietnam war) is to use for this type of mission, preferably exploration vehicles on wheels, which have as common features a firing capacity aligned with a high degree of mobility and speed, and proper protection. They also have in common a relatively small size and a considerable advantage insofar as maximum speed is concerned over tanks on treads, although the latter have a greater "all terrain" capacity.

Their normal features enable these vehicles to be used on other missions, such as: guarding communications lines, controlling built-up areas, combat in urban areas and combat against urban or rural guerrillas.

## 2. The RAM

Developed during the second half of the last decade by engineers in the RAMTA division of the well-known firm Israel Aircraft Industries (IAI), the armored vehicles of the RAM family are geared to the doctrinal requirements of modern warfare, and are a direct result of the extensive experience gained from the Israeli Army's combat during recent decades.

Basically, the RAM is defined as a vehicle especially suited for carrying out missions involving exploration, reconnaissance, security and command. But its versatility (and hence its description as a multipurpose vehicle) enables it to be used in other tactical operations requiring combat in movement, and also logistical activities, such as troop transport and evacuation of wounded under combat conditions.

Its manufacturers claim that the RAM is the light armored vehicle of its class with the highest cost/efficiency index in the Western world. The procurement of that high index was the prevailing factor during the vehicle's development phase.

### 2.1. Design Features

Included in the light armored category, with traction in the four wheels and a rear engine, the RAM is typified mainly by its extremely low profile, the originality of its "monocoque" type hull and the fact that the hood of the engine and the fenders are made of fiberglass.

The unique hull design makes it possible to diversify the use of the vehicle in two major capacities: as an armed platform or as troop transport. As a supplement, the RAM can be converted and adapted to a variety of configurations, without need for structural technical modifications, and with great speed. In its basic configuration for troop transport, the RAM has a capacity for 10 men with the pertinent complete combat equipment.

As for the automotive aspect, combined in its design are the most proven and efficient systems for 4 X 4 all terrain type (with four driving wheels). In addition, all its automotive components are based on standardized military requisites and are readily procurable. Moreover, it is outstanding for the high speeds that it can reach, attaining a maximum of 96 km/h, thanks to a 132 hp, six-cylinder, air-cooled, diesel engine. Contributing to its improved performance are its automatic transmission, assisted hydraulic steering, servo-assisted brakes and automatic block differential, as well as its low center of gravity and its extensive ground clearance of over 53 cm.

Special attention has been given to the design of the steering post. The gearshift lever, the drives and the instrument panel appear to be located in the ideal positions, and are all easily operated; hence a highly skilled driver is not required.

Insofar as maintenance is concerned, the designers took special pains to facilitate the work under unfavorable conditions, such as the battlefield; and therefore only 50 minutes is needed for a trained crew to be able to dismantle the engine. Furthermore, access to all components and service work are extremely easy.

## 2.2. Mobility

In preceding paragraphs mention has been made of the considerable importance of mobility for armored exploration vehicles provided with light weaponry. The RAM, precisely, adds to its high speed on the road an extraordinary mobility on rough terrain and a broad operating radius.

The total weight of the vehicle insofar as combat is concerned fluctuates around 5.4 tons which, combined with the 132 hp of its engine, gives it a power/weight ratio of 24.4 hp/t, ensuring it an excellent acceleration capacity.

All the members of the RAM family, whatever their configuration, are equipped with a 3,700 kg power hoist, which enables them to extricate themselves from obstructions on soft or very rough terrain, and even to rescue other vehicles.

Its capacity to ford streams of water up to a meter deep, without any preparation, is very important; also enabling it to embark and disembark from barges using its own facilities. Also noteworthy is its suitable turning circle (7.2 m), which affords it great maneuverability in urban and suburban areas, even on narrow streets, for use in urban counter-gerrilla operations.

Furthermore, the small total weight of the RAM, as well as its size, allows for its transport in airplanes and even by helicopter.

In the intensive mobility tests to which the RAM was subjected by its manufacturers (conducted on virtually all types of terrain under rigorous weather conditions), its superiority over other vehicles of its type was fully proven.

## 2.3. Protection

The essential factor for good protection of a vehicle is obviously its capacity to offer the least possible target. The extremely low silhouette of the RAM allows it to make maximum use of the slightest irregularities in the terrain or any type of obstacle, to reduce to a minimum the danger of being located by the enemy. Even in the event of its being detected, its low profile makes it a difficult target to reach, because its total height of 1.71 m is considerably lower than that of smaller-sized vehicles. During the exploration missions, wherein going unnoticed means the difference between the success and failure of the mission, this feature of the RAM hull proves to be particularly significant.

As for passive protection (armor), the RAM affords its crew effective security against the fire of light weapons of up to 7.62 mm, at short range, against perforating projectiles and against grenade and mine fragments. The lateral armor consists of ballistic steel welded plate, 8 mm thick, in an inclined position to hamper the penetration of projectiles. The entire lower surface is of steel 100 mm thick, designed especially to afford maximum protection against mine explosions. In addition, it has special deflectors which divert the penetration of shrapnel, thereby preventing the vehicle from easily overturning as a result of mine explosions or the shock caused by being hit by projectiles.

A notable feature of the RAM is that, when it causes the explosion of a mine, the effect of the explosion causes only damage or breakage of an axle, while the fiberglass fenders disintegrate. Nevertheless, the hull remains unharmed and the crew, at worst, might be slightly injured. This is so because the hull is virtually separated from the automotive part, and because the wheels are located at the front and rear ends of the vehicle, outside the line of the main compartment. Furthermore, the geometrical configuration of the hull increases its resistance to mine explosions; something that has been proven in a series of tests conducted with different types of mines. On the other hand, the location of the rear engine affords it extra protection against mines with a caloric sensor, and the mines are usually activated after the vehicle has already driven over them.

#### 2.4. Weaponry

The unique design and construction of the hull make it possible for the RAM to be outfitted with a wide variety of weapons: machine guns, 106 mm caliber recoilless guns, twin-gun mounted 20 mm antiaircraft guns or antitank missile launchers. In any event, the selection of the weaponry depends on the configuration adopted by the user, based on the tactical mission for which the vehicle is to be used.

The individual weapons of the crew may be effectively fired from a protected position inside the vehicle.

#### 2.5. Configurations

2.5.1. The simplest version of the RAM is planned for exploration missions and infantry combat. Without a roof, it is usually equipped with three 7.62 mm caliber machine guns, with 5,000 projectiles, an antitank missile launcher with six projectiles, fragmentation and smoke grenades, night vision equipment and a multichannel transceiver.

It is also possible to opt for a configuration with weaponry consisting of four 7.65 mm machine guns, with 5,000 projectiles, a 52 mm mortar with 36 projectiles, two antitank missiles, flares and smoke grenades, night vision equipment and a multichannel transceiver.

2.5.2. The armored troop transport, which constitutes the most utilized version, is the model which, in principle, will be constructed by the Argentine firm Grand Diesel Motors (GMD), with a license from IAI. This is a closed version of the RAM, with a capacity to accommodate from eight to 10 men, with their corresponding equipment.

The exclusive system with which it is provided, for bending the armored hatches either totally or partially, allows for panoramic observation, with suitable protection against shots from light firearms and bullet fragments. The troops being transported, in turn, may fire from inside, either in a sitting or standing position, in all directions. The unique features of this version of the RAM make it especially suited for use by security forces to suppress public disturbances or disorders, without any risk. For such use the factory can provide barricade pushing equipment and equipment for crossing through fire of moderate intensity, as accessories.

Owing to its normal features that have already been cited, the RAM is protected against most of the terrorist or guerrilla action that it might possibly confront, particularly with regard to anti-vehicle mines or other explosives.

The specific requirements of the user are what determine the configuration of the weaponry with which it will be provided. The manufacturers suggest the following combinations:

A 12.7 mm caliber machine gun with 1,500 projectiles and three 7.62 mm machine guns with 5,000 projectiles.

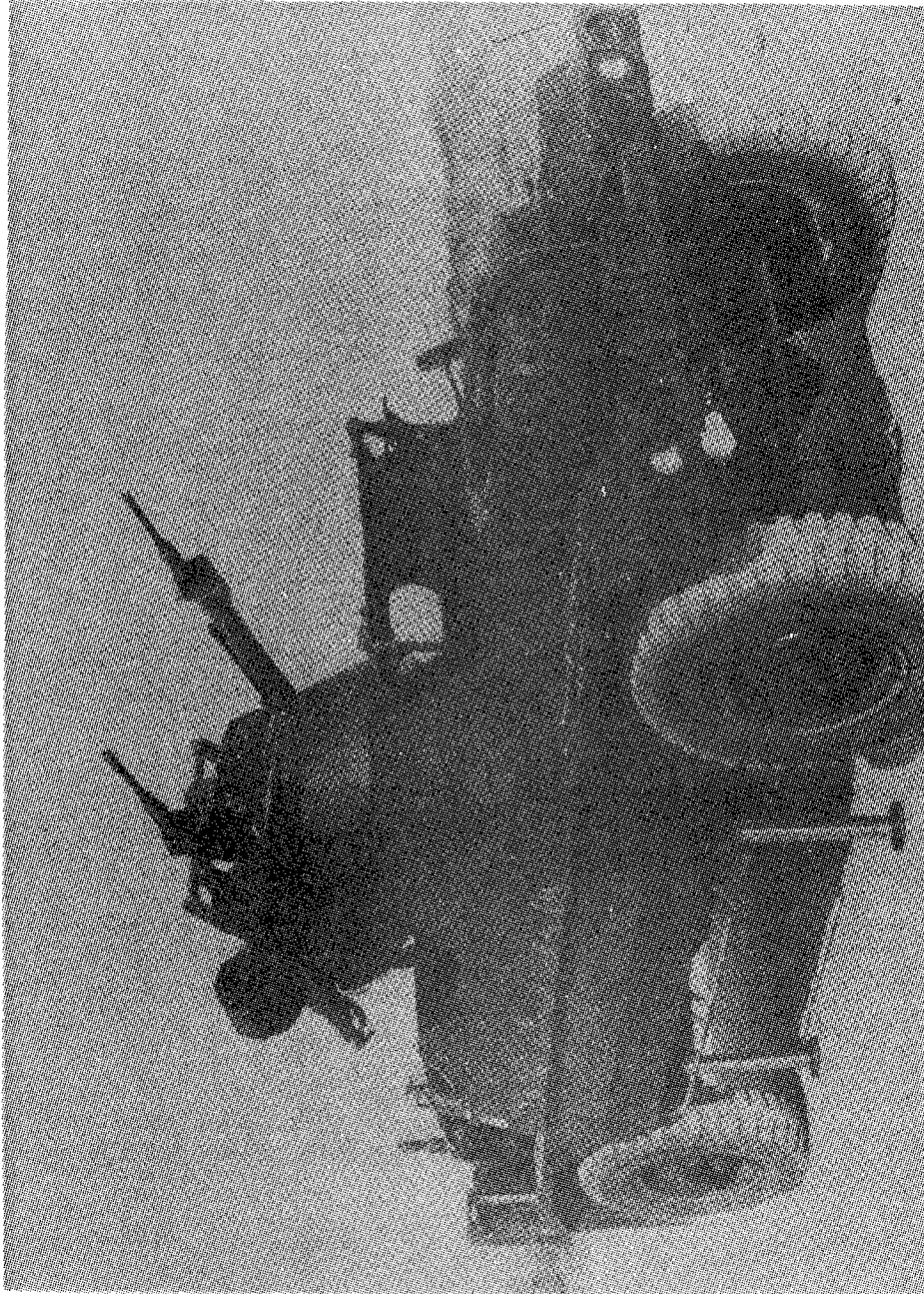
A 40 mm grenade launcher with six boxes of ammunition and three 7.62 mm machine guns with 5,000 projectiles.

5.56 caliber automatic rifles (M-16 or similar), with 5,000 projectiles, a (type RPG-7) personal missile launcher with six antitank missiles, 24 fragmentation grenades, nine smoke grenades and two flares.

With all these combinations, the night vision equipment and multichannel communications equipment are also provided.

2.5.3. Another version of the RAM is armed with a 20 mm caliber twin-gun mounted antiaircraft gun, mounted on a revolving turret and a TCM-20 firing control system.

The natural targets of this model are low-altitude aircraft, both helicopters and those of the fixed wing type; although it gives excellent results against surface targets of the armored vehicle type, or others for troop transport, and even against naval targets from coastal positions. For this purpose, it is provided with 720 20 mm projectiles, plus a 7.62 mm machine gun, and night vision equipment and a transceiver.



Equipped with a 20mm twin-gun mount on the turret, the RAM converts to an effective anti-aircraft of surface targets-vehicle.

2.5.4. Another variant is the version of the RAM described as a short-range antitank vehicle. In this case, it is armed with a 106 mm caliber recoilless gun mounted on a small semi-covered turret, with a horizontal turning circle of 360°, maintaining a very low silhouette. In addition to the usual night vision and communications equipment, it carries 18 projectiles for the main armament.

2.5.5. The final version is the long-range antitank vehicle. For this special instance, it is equipped with a TOW missile launcher, the initials of which stand for its English name, "tube-launched optically tracked wire-guided," in other words, launched by a tube, optically guided and wire-guided, mounted on a telescopic stand and equipped with 12 missiles. As a supplement, it has a 7.62 mm machine gun with 2,500 rounds and the night vision and communications equipment common to all models.

It is noteworthy that, with this version, the RAM has become the only small-sized armored vehicle in the Western world with long-range antitank missiles (the TOW can reach targets at 3,750 m). Moreover, its low profile and the special shape of the telescopic stand for the missile launcher make the RAM virtually invisible even at the time of firing. All these qualities enable it to make rapid, sudden attacks, complete its military mission and return to its lines before the enemy can organize an effective defense.

### 3. Operational Tests in Argentina

In November 1984, at the Campo de Mayo Argentine Military Garrison, a RAM demonstration was held, which was attended, in addition to officers from the Armed Forces and Security Forces, by members of the National Congress, representatives from the office of the military attache of the Israeli Embassy and reporters.

The first part of the demonstration took place on sloped planes of different grades without any difficulty, even when the vehicle took off without speed from the base, braked and stopped the engine halfway on the slope, then started up, completing the climb.

The RAM was subsequently driven through a series of natural obstacles, such as ditches, pools of water, sloping planes and lateral drops, as well as over areas with low shrubs and totally uneven. At one point, the vehicle was deliberately driven to a promontory of land on which it was left suspended on its hull, without its own traction. To get out of that dangerous situation, the driver resorted to the hoist, for which purpose he hitched the cable onto a heavy vehicle and extricated himself from his bad position in a few minutes.

Although it was not provided with the pertinent equipment, the RAM was able to cross a barricade with fire of moderate intensity, without damage to its structure, electrical systems or traction.

A few days after this first demonstration in Argentina, an armor test was performed, for which there was firing on a plate similar to the kind used on



the RAM, based on MILL standard ST. A-46100 A, which calls for a maximum projectile speed of 815 m/sec; corresponding approximately to a weapon fired at 100 meters, and a 30° inclination with respect to the line of fire.

The shots were fired with a 7.62 mm MAG 7 machine gun, with regular and perforating ammunition; none of the projectiles pierced the plate and only two marked it slightly.

Later, in early December 1984, the Argentine National Guard (a militarized security force which, among other missions, performs that of the border police) subjected the RAM to 4 days of tests on various types of terrain, with the participation of technicians from the IAI and GMD companies.

Some of the most important conclusions from the detailed report produced should be mentioned. For example, the RAM, when subjected to testing, reached a maximum altitude of 4,100 m above sea level without any problems of temperature or reduction in performance noted. Also, one night it was left out in the open, with below zero temperatures, despite which it started without any trouble.

During one of the stops to refuel, a routine visual inspection detected a loss of carburetant in the feed piping, but a simple adjustment, which took no more than 5 minutes, made it possible to continue the drive without any other mishap. Several runs were made over muddy roads and through rivers with large-sized rocks, yet the RAM crossed them without difficulty. On one water-course, with a depth of between 50 and 80 cm, the test stopping and starting the engine was made three times, consecutively, without any failures.

On another test run, the RAM and a Unimog Mercedes Benz vehicle accompanying it were left bogged down on a shoulder. At first, it was attempted to extricate the vehicle using the conventional methods of digging the tracks and placing branches down to offer it a possibility of traction; but the attempts failed. Then they resorted to the hoist, the cable of which was attached to some small trees located about 30 meters away; and in 15 minutes the RAM returned to solid ground.

In short, during the four days of tests, 1,816 km were covered, only 350 of which were on paved roads, without any sizable failures. The automatic shift was cited as an advantage which allowed for driving without trouble, both for the vehicle's performance and for the drivers who, moreover had had no previous experience with the RAM.

The consumption indexes recorded ranged from nearly 5 km per liter of gas oil in the mountainous area to under 3 km per liter in the muddier areas, which required a very low speed and a high degree of consumption.

#### 4. Background Information on the IAI and RAMTA Companies

RAMTA, the original designer of the RAM, is one of the firms comprising the Israel Aircraft Industries group (IAI) in which 800 persons work in modern metallurgical shops. The internationally recognized designs and industrial

expertise made RAMTA an organization with a complete capacity for offering quality products and services, based on specifications, and at competitive prices.

The range of RAMTA products includes sub-assemblies of structures, armored vehicles, multipurpose aluminum patrol boats, subsystems of sophisticated weapons and different types of tools and aeronautical material for ground support.

In addition, the Isreali company offers a combination of engineering services of its own, welding machine shops and shops for manufacture and installations for electrical,hydraulic and paint jobs. RAMTA also produces a variety of sub-assemblies with high technology, which are included in the line of products of Israel Aircraft Industries.

IAI is well known for the quality of those products, including, among others, the Kfir C-2 and C-7 combat aircraft, the Arava transport craft, the Dvora missile launcher and the Gabriel line of missiles.

#### 5. Grand Diesel Motors

Grand Diesel Motors (GMD), which will build the RAM under license, started its activities in 1957, and in 1982 was purchased by a group of entrepreneurs with Argentine capital. During its 3 decades in existence, GMD has produced over 2.3 million hp in large diesel engines and is now concentrating its production on the GMD-DMT (Grandi Motori Trieste) line of engines, of types A and AL 230, in their 4, 6, 8, 12 and 20 cylinder versions, with powers ranging from 800 to 4,600 hp; and the Series 251 Alco-Bom-Bardier engines, in their 6, 8, 12, 16 and 18 cylinder versions, with powers from 1,000 to 4,500 hp. It also offers gas and dual fuel versions of the A and AL 230 engines.

In addition, it manufactures high precision mechanical assemblies and was responsible, among other assignments, for the manufacture of special assemblies for power transmission from the power source to the tread of the Argentine medium tank (TAM), as well as for systematizing and adapting the engines produced.

The areas included in GMD's products cover military, oil drilling, power generating, rail hauling and ship propulsion systems, and various diversified equipment with high quality technology.

Its large shops located in Cordoba Province, covering 19,000 square meters out of a total area of 239,000 square meters, are prepared to put in up to 700,000 hours of production per year, which could be carried out by over 700 direct employees of the firm; a figure equivalent to the production of 100 1,800 hp engines per year.

Among the leading products coming from the GMD facilities one might mention: cylinder blocks, cylinder heads, connecting rods, gear systems and high precision parts.

The combined facilities, machinery, devices of various kinds and control elements represent an investment of about \$50 million, managed by professionals, technicians and workers with a high degree of training and specialization.

## 6. RAM and National Integration

The plan for native manufacture of the RAM vehicle offers an initial Argentine integration of 90 percent, including the engine which is already being produced by Deutz Argentina, at its industrial plant in the locality of Haedo, and has been used successfully in its tractor line. This integration will allow for genuine logistical independence, which will result in facilities for the maintenance and suitable technical backup of part of the private industry for defense purposes.

### Technical Specifications of the RAM (armored troop transport version)

Dimensions	Short	Long
Total length	5.02 m	5.42 m
Total width	2.03 m	2.03 m
Total height	2.2 m	2.2 m
Distance between axles	3.4 m	3.8 m
Weight	5.7 ton	6 ton
Payload	1.3 ton	1.3 ton
Minimal crew	(6+2)	(8+2)
Performances		
Maximum speed on highway	96 km/h	96 km/h
Maximum range on highway	750 km	950 km
Angle of approximation	60°	60°
Angle of departure	43°	43°
Fording depth	1 m	1 m
Maximum grade	65% at 1.6 km/h	60% at 1.6 km/h
Lateral grade	35%	35%
Fuel (with auxiliary tanks)	120 l	160 l
Pitch	0.8 m	0.8 m
Turning radius	7.2 m	7.5 m
Hoist haul capacity	3,700 kg	3,700 kg

2909

CSO: 3348/847

BRAZIL

ADVISOR BORJA ON CONSTITUENT ASSEMBLY, MILITARY ABUSES

Rio de Janeiro O GLOBO in Portuguese 12 Jul 85 p 2

[Text of interview with Celio Borja, special advisor to the president, by Jorge Carlos Moreno, date and place not specified]

[Text] In choosing their representatives to the National Constituent Assembly on 15 November 1986, the Brazilian people will be giving themselves a new juridical system; they will be exercising their sovereignty to the fullest. For this very reason, the convocation of the Constituent Assembly will be the high point of the Sarney administration, according to Celio Borja, special advisor to the presidency. The jurist was called on to collaborate, precisely for his constitutional expertise, but he did not limit himself to analyzing the Constituent Assembly in this exclusive interview with O GLOBO. He also discussed agrarian reform (the purpose of which is to strengthen land ownership) and the political-police events of the past government ("It is not the place of the executive branch to determine the criminal responsibility of any individual; the country has a judicial system").

Question: How do you assess the convocation of the Constituent Assembly? Is it the most important political project of the Sarney administration?

Answer: It is the most important gesture that a government can make: to devolve to the people the right to organize themselves. The convocation is not being given the importance it merits. It represents a gesture by the constituted powers--executive, legislative and judicial--calling upon the people to exercise their sovereignty, creating a new juridical order. Everything that was obligatory, everything that was a rule of law, to which we were and are now bound, will cease to be when the new constitution is written. In other words, if you have a right today which is guaranteed under the law, the new constitution could take it away from you. No one is assigning proper importance to the fact that the powers of the republic are preparing to call upon the people to exercise their right of self-organization. This means that situations protected under the law today may not be protected tomorrow under the new constitution.

How did President Jose Sarney conceive of carrying out this act? Gathering together all the powers of the republic, which are constituted powers, to make together the gesture of devolving to the people the exercise of their sovereignty? How? The initiative for amendment is the prerogative of the executive power. The legislative power is responsible for its final elaboration and promulgation. The judicial power, through its supreme organ, presides over the installation of the Constituent Assembly.

Question: But the Federal Supreme Court, through its chief justice, is present at the beginning of the so-called procedural discussions on the convocation of the Constituent Assembly. It could be argued that the Supreme Court should not be a party to a matter on which it might have to rule at a later time.

Answer: No Supreme Court judge hands down a decision alone. The Supreme Court rules collectively, either in full session or by shifts. The chief justice, who presides over the session to install the Constituent Assembly and to elect its president, can obviously resolve questions of order, perform certain acts of authority that might be questioned tomorrow by the court. And those would be exceptional, because all issues pertaining to the ordinary legislative body or even the Constituent Assembly are resolved internally. In principle, there is no appeal regarding an act practiced by a power of the republic within the scope of its autonomy, and the Constituent Assembly not only naturally enjoys the autonomy which the ordinary legislative body possesses, but that autonomy is raised to the nth power by the fact that it is sovereign. Moreover, if the chief justice of the Federal Supreme Court feels that he is ethically prevented from participating in a session of the court which is going to rule on an appeal of one of his decisions, the judicial organ can still function. In the absence of the chief justice, who is not usually the reporter and at times does not even vote, the body will deliberate without him.

Question: Another issue which is being debated in the Congress is how a Constituent Assembly can be free and sovereign if the executive, in his message, already determines the quorum for approval of the Constituent Assembly.

Answer: It is free and sovereign because it will follow its rule and its rule actually overrides many things which are now settled by law and by the constitution in force. The amendment proposal which the president sent to the Congress does not pretend to be the last word. Otherwise, why would it be submitted to the Congress for appraisal? The Congress can modify it according to its own judgment. The president made the proposal and, based on what is set down, the Congress will deliberate, evaluate and possibly make whatever revisions it pleases. Now, the rule of absolute majority is a way of insuring that the new constitution will not result from the will of a relative majority. This is the case, for example, of the rules which generally govern the deliberations of the assemblies. When an absolute majority of the members of the houses is present, the majority of those present decides. Let us say that one more than half the members of Congress are present at an ordinary session and that a majority of those present decide to pass a certain bill. How many would have voted for it? A fourth of the members of Congress. With regard to ordinary legislation, this is customary, usual. What would be the case with a constitutional standard? The constitution now requires that, to amend it, two-thirds of the members of the Senate and Chamber must vote in favor. And how would the Constituent Assembly approve the final draft of the constitution? Would

it require only the majority of a quorum or an absolute majority? Do you see, this is for approval of the final draft, so that it cannot be said later that the constitution was imposed on the country by a minority. It must be a constitution of the majority. The purpose is to guarantee that the Brazilian people will have a constitution which a true majority of their representatives understood to be good for the people.

Question: Do you think that the future constitution should be detailed or succinct?

Answer: I feel that it must be as succinct as possible, so it will endure. We must have confidence in the country and in the generations to come. For example, there is no point in having the constitution cover material that would be better left to a regulation, an edict or an ordinary law. Every generation has a different understanding of things. It has hopes and dreams that are not precisely consistent with those of preceding generations. If the constitution turns out to be an impediment to the realization of the aspirations of generations to come, they will end by revising it. To endure, a constitution must be succinct, but as broad as possible.

Question: The greatest criticism of the government is that its program is not well defined. What is the program of this government?

Answer: It is the program of the Democratic Alliance: just that. It has always been said and always been assumed that the government which resulted from the alteration of the system of forces in power would be a transition government; during the period of its mandate, there would be a kind of political truce. No one would inflict his ideology on anyone. The Tancredo Neves/ Jose Sarney government is founded on a very broad spectrum, from the Left to a liberal and conservative Center. The Democratic Alliance campaign was supported by individuals with the most varied political convictions and by the most varied interest groups, solely to democratize Brazil--this is the basic commitment.

Question: There are programs which have consensus, but there are others, such as the agrarian reform program, which run up against difficulties from the heterogeneous forces which support the government. How do you view the agrarian reform program, which is apparently Jose Sarney's most important project?

Answer: The president has said quite clearly and emphatically that agrarian reform, to which the Democratic Alliance is committed, is not meant to do away with land ownership, but, on the contrary, to broaden it, to make legal tenure and ownership of land accessible to those who can and will work it, opting for land ownership as a condition of freedom. Agrarian reform looks to the production of food, raw materials for industry, the creation of jobs for the great mass of people who have been dissatisfied with the prevailing rural living conditions. Increasing production of goods, of foodstuffs, for example, will help to combat inflation and unemployment. Moreover, agrarian reform is intended to modernize living standards in rural Brazil. The rural population has migrated, not because it dislikes working on the land, not because it prefers a city job to a rural job, but because the rural living conditions do not offer a man, or his children, opportunities to develop fully. Rural life

has suffered. The opportunities in the countryside are very limited, compared to those in the cities. The wish is for everyone to have the right to live life to the fullest. The city dweller should not be more privileged. Agrarian reform is also intended to establish a rural infrastructure of social services and equipment which modern man considers essential to his personal development. There is a threefold objective: to expand rural land ownership as a guarantee of freedom; to increase rural production and productivity; and, finally, to establish rural living standards consistent with the aspirations which are no longer the privilege of the city dwellers. There is an example of this in the film "Bye, Bye, Brazil." A just society does not reserve modernity for the city dweller, but shares it with the man in the countryside. Everyone has a right to culture, to self-realization through work.

Question: The investigation of incidents in the previous government has begun to affect the New Republic. Many of these incidents, restricted to the police area, have begun to have a political connotation because of the individuals involved, who held prominent positions in that same government. Is President Sarney troubled by this revanchist campaign which some sectors are attempting to launch against the government?

Answer: The amnesty called for permanent silence about the acts to which it applied. Whether one was in the opposition or the government, the amnesty insured that previous actions were pardoned. Amnesty does not apply to the future; it is retroactive. It nullifies the criminal responsibility of any agent who committed a crime for strictly political motives. But amnesty does not say: "You are free to go on committing the same crimes." The executive branch does not have the authority to determine the criminal responsibility of any individual. There is a system of justice in this country and the government may not interfere in the judicial process.

If someone is accused of a crime tomorrow, he will answer to the courts, and these courts are independent. The executive power does not hand down judgments. The government does not seek, either secretly or openly, to instruct the judges as to their decisions. Hence it is futile to present demands to the president and the ministers with regard to the judiciary process.

Question: But how does the government look upon the political exploitation of those incidents?

Answer: Political exploitation means attempting to persuade the government to condemn or excuse in advance, or trying to establish ties between the government and those who may have been accused. A principle must be observed, a principle which is sound in every civilized nation: no one is guilty until he is convicted in a court of law. And a distinction should be made, for example, between a member of the police force who has lied or committed some crime and the police force itself--or the Army, the Navy, the Air Force or the executive power. Every class has its delinquents. If a general is convicted tomorrow of committing an act which the law considers a crime, this does not mean that the Army is criminal; if an Air Force general is convicted, the Air Force is not convicted. We are going to adhere to a basic principle of modern justice: the individualization of criminal responsibility.

BRAZIL

TSE AUTHORIZES 10 NEW PARTIES TO PARTICIPATE IN ELECTIONS

Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Jul 85 p 4

[Text] Brasilia--The Superior Electoral Court (TSE) ruled yesterday that 10 new parties would be eligible to compete in next November's elections for mayors of state capitals, national security municipalities and mineral-water resorts. The list includes the following groups and their initials: Liberal Front Party (PFL), which is already functioning and has about 100 representatives in Congress; Brazilian Communist Party (PCB); Communist Party of Brazil (PC do B); Party of the Brazilian People (PPB); Social Christian Party (PSC); Christian Democratic Party (PDC); National Tancredo Party (PTN); Liberal Party (PL); Communitarian Municipalist Party (PMC); and Humanist Party (PH).

Thus there are 15 parties ready to take part in the November elections, more than there were at the time of the 1964 movement, when 13 groups were functioning. Besides the new parties, there are the regularly registered Brazilian Democratic Movement Party (PMDB), Social Democratic Party (PDS), Democratic Workers Party (PDT), the Workers Party (PT) and Brazilian Labor Party (PTB). The TSE is still studying another 11 applications for party registration, including the Nationalist Party, whose statutes were not published in the federal DIARIO OFICIAL until yesterday.

Parties

Giocondo Dias is president of the PCB provisional national executive board, whose party platform includes a commitment to revoke all emergency legislation. PC do B, whose provisional president is former federal deputy Joao Amazonas, advocates an end to the nation's subordination to foreign capital.

The PPB, whose president is Antonio dos Santos Pedreira, favors transforming the armed forces into strictly professional organizations. Its manifesto mentions that cabinet ministers are employees of the people.

The PSC, led by Vitor Nosséis, supports calling of a constituent assembly and condemns institutionalization of "fraud, corruption and incompetence," recommending Christian reforms in society.

In the same category is the PDC, whose president is Jorge Coelho de Sa. It supports economic autonomy for municipalities, free education, revocation of authoritarian legislation, banking reform and progressive taxation of unproductive latifundia.



The PH, whose president is Waldomiro dos Santos Filho, favors the idea that man is the center of all political concerns. It is guided by the writings of Argentine philosopher Mario Cobos, especially his book, "Internal Landscape." The party's goal is the "humanization of Brazil."

#### For Private Enterprise

The PL, whose president is Deputy Alvaro Vale, proposes to combat violence and strengthen private enterprise, along with "open school." The PTN, led by Manuel Maria Cardoso Filho, adopts as its commitments the expressed opinions of president-elect Tancredo Neves: "Brazil for Brazilians, morality, strengthening of the business class and putting capital at the service of labor."

The TSE drew lots for the numbers that will identify the 10 new parties authorized to participate in the November elections in state capitals. Numbers from 11 through 15 were retained for the existing parties (PDS, PDT, PT, PTB and PMDB, respectively). The numbers of the new parties are the following:

16, PPB; 17, PDC; 18, PMC; 19, PH; 20, PSC; 21, PTN; 22, PL; 23, PCB; 24, PC do B; 25, PFL.

#### Parties, Programs

Brazilian Communist Party (PCB): Organization open to "all those who consider socialism to be a feasible and desirable alternative for Brazil" and that are committed to "the struggle for national independence." The "social theory of Marx" is the basis for its method of analyzing reality. Believes that the transition to socialism will come about through a "democratic and nationalistic program."

Liberal Front Party (PFL): Is committed to a program of "profound transformations, arising from emergence of a technological revolution." Asserts that its objectives coincide with the reaffirmation, "throughout the world," of liberal thinking, which by the end of the century will manage to "fraternize liberty with equality." Proposes to support constant modernization of the armed forces and domestic private capital.

Party of the Brazilian People (PPB): Some of the points of its manifesto are: a parliamentary regime, voting for illiterates, creation of at least 20 more states, "liberation of the oppressed, stemming the loss of foreign exchange, always believing in God." Supports elimination of monetary correction--"unwholesome for our economy"--voting rights for soldiers and transfer of prisons to rural areas.

Social Christian Party (PSC): Invites "persons of good will, democrats and Christians of all denominations and non-Christians of all creeds." Its main objective is "to stress economic values over human values [as published]:" It says in its manifesto that "social-Christianism" is the search for humanism. It supports parliamentarism and a broad program of agrarian reform, with measures to combat unproductive latifundia.

Communist Party of Brazil (PC do B): Its major objective is installation of socialism, "source of the struggle against oppression and exploitation," based

upon collective ownership of the means of production, a system defined as "the higher stage of the evolutionary and revolutionary process of human society." Proposes creation of a "democratic and popular" government committed to extinction of "the monopolistic groups of the upper Brazilian bourgeoisie allied with foreign capital."

Communitarian Municipalist Party (PMC): Favors "confederation of the Brazilian municipalities in a republican system of federated states." Feels that the primary organization of the state, in geographic, political and administrative terms, should be based upon a "local nucleus--horizontal joint rule," which emerges jointly with "the government of the super-block." Supports agrarian reform, legalization of land possession for slum dwellers and creation of municipal banks.

Christian Democrat Party (PDC): Created "under the sign of Christian philosophy and teachings, which implies the foundation of the spiritual affirmation," intends to become an "instrument for reconciliation of all social classes," through establishment of Christian democracy. "Systematic combat of corruption, subversion and public dishonesty," as well as convocation of a National Constituent Assembly, are some of the points considered essential in its program.

Liberal Party (PL): Supports "strict legislation to protect the environment and natural resources," direct elections and in two rounds for the executive branch at all levels, competitive examinations as the only path to positions in direct or indirect administration. In its manifesto it recognizes property ownership as a "natural" right that should be extended to all.

National Tancredo Party (PTN): Believes in the "unflagging will" of the Brazilian people to implement "the political, social and economic program bequeathed by the great and unforgettable statesman Tancredo Neves." Both its manifesto and its program are transcriptions of proposals by the president elect on 15 January of this year. In regard to the International Monetary Fund, for example, the following phrase is reproduced: "Severing relations with the IMF would only create problems."

Humanist Party (PH): The PH has five basic points: 1) Has the human being as the central value; 2) advocates the methodology of nonviolent action; 3) advocates cooperativism as an economic system; 4) favors nondiscrimination (racial, religious, etc.); and 5) supports freedom and combats all forms of domination.

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BRAZIL

SAO PAULO ILLITERATES UNINTERESTED IN MUNICIPAL ELECTIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jul 85 p 7

[Article by Paulo de Tarso]

[Text] Now, in the New Republic, after many years of debate, the enfranchisement of illiterates has been approved, and the interest shown has been far short of expectations. Even if it is required by law, even in a city like Sao Paulo and even despite the efforts of the Electoral Court, by last Friday, with only 8 days remaining for new registrations, not even 1.5 percent of the illiterate population in Sao Paulo, as estimated by the IBGE [Brazilian Institute of Geography and Statistics], were on the voter rolls.

In a statewide population of 25,023,306, there are an estimated 2,263,262 illiterates over the age of 18, who are eligible to vote. In the capital, with a population of 8,490,763, there are an estimated 571,628 illiterates over the age of 18. Nonetheless, by Friday, at the end of the working day, in the 27 voter registries in the capital, only 8,386 illiterates, or 1.468 percent of the existing illiterate population, had registered to receive their voter cards.

"In the end, this business of having people vote is going to create a bigger mess than we have already," said Dona Jade, a domestic, who was in one of the lines to pick up her voter card. "If people who know how to read and write have never gotten it right, what do they expect of people now? I'm still here, but my old man said they could require it all they wanted to, but he was not going to register or vote for anybody. He said he never felt the need to vote and he is not going to vote now, but I'm here because I think it's better if I have this document." Although she said she did not know yet how she would vote, she thought "Janio would win" this election.

"I'm going to vote because it's my duty," said Tadeo, a porter, "but I don't know what parties there are and I don't know who I am going to vote for. I think I would vote for the first name on the list; it's easier."

"I think it's the law," said Francisco, who had gone to the Itaquera Registry with Airton, a fellow worker in a cleaning company. They both thought it was "the law," because "the boss excused people from work today to pick up the registration cards."

"This voting business means nothing to me," said Dona Maria Inez, who was also in line. She had never voted, but she said she was already "tired of all the promises. They are all the same; they get into office and then they don't do anything."

"I am picking up the card because it is required now," explained Miguel, who works for a moving company. "My boss said I had to. I am only getting the card for my job."

Among the 25 people in the line of illiterates at the Itaquera Voter Registry that afternoon, 18 said they did not know how they would vote, 1 was going to vote for "Adhemar" and 6 would vote for "Janio." At the Sao Miguel Registry, 10 people had no candidate, 2 were for Adhemar de Barros Filho and 3 were for Janio Quadros.

Of the 27 election zones in the capital, these 2 have the greatest concentration of illiterates. From 10 July, when the registration was opened, until the end of last week, Itaquera had registered 880 voters and Sao Miguel had registered 849. The smallest number was in the Fifth Electoral Zone of Jardim, with only 50 illiterates.

At the Itaquera registry, in the 247th Electoral Zone, two lines are being formed to facilitate service: one for illiterates, which is always shorter, although it is more laborious and slower, even with three clerks serving it; the other line is for literates who are registering for the first time or are arranging transfers or duplicates, in the case of cards that are already filled up or have been lost.

Among the procedures adopted by the various registries in the capital, the most efficient to date has been that of Sao Miguel, in the 277th Electoral Zone. Although it is one of the busiest, it may be the only one in the capital with no waiting line at all. The chief of the registry set up a system of "papa-filas" ["line-busters"], by which all the attendants do a little of everything, according to the traffic. Instead of filling out each form for the illiterates or distributing them to be filled out by the literates, which also takes time, they collect the data and a document from the interested party. They assign a registry number, and the registration card and the document can be picked up 3 days later. This saves time, so there are no lines, and the forms are all typed cleanly and accurately, after a double-check.

However, the major problem which the Electoral Court will have with the illiterates--and which is already anticipated--will come on election day itself. "They are going to have a problem just getting to the right place to vote," warned an official. "They are going to have to take the registration card, locate the Electoral Zone, go to the right district and find the section. And when they reach the right section, they will only have a minute in the booth to cast their vote. It has not been decided yet what system will be used--colors, numbers or some other symbol. We are sure of one thing: no matter how illiterate a person is, he always knows numbers. You know that an illiterate doesn't make any mistakes with change. He is perfectly able to distinguish between a 500-cruzeiro note and a 5,000-cruzeiro note," the official concluded.

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BRAZIL

# CHANGES IN SNI MISSION UNDER NEW REPUBLIC DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jul 85 p 7

[Text] The late President-elect Tancredo Neves admitted during the election campaign that, under his administration, the National Intelligence Service [SNI] would be maintained as the principal advisory organ with regard to intelligence, but it would be dissociated from politics and adapted to the democratic regime. Its chief would no longer enjoy ministerial "status." After 4 months of the Sarney administration, the duties of the SNI are still the same. Only the focus of its operations has been changed, actually adapted to the democratic regime. The ministerial rank has been maintained.

Gen Ivan de Souza Mendes, chief of the SNI, meets daily with President Sarney and, as happened before, he has also had a prominent part in various issues pertaining to the so-called psychosocial situation, although he has withdrawn entirely in terms of any political action. However, the discreet participation of the SNI was important in the coordination of the control of the strikes in the Sao Paulo ABC [industrial districts] which began in April and regarding which the agency had obtained information months earlier. General Ivan went to Sao Paulo several times; he coordinated the state and federal agencies and was the principal information link between Sarney and Montoro.

During the months of Tancredo Neves' lingering illness, the SNI chief had to go to Sao Paulo to set up a minimum agency presence in the Heart Institute, so that the release of official information would be coordinated and disagreements among members of the medical team would not become public, disagreements which had been occurring since [the president-elect had been at] the Base Hospital in Brasilia. Direct SNI advisors deny, however, that there was such a coordination of services, which would not be the responsibility of the SNI; they said that General Ivan visited the hospital in his capacity as a minister who had been chosen by President Tancredo Neves.

Gen Ivan de Souza Mendes' relations with the press and with other sectors of Planalto Palace have become cordial and respectful. He has had several informal conversations to clarify current issues. The general does not give interviews and is cross when informal conversations are represented as such, because he feels it is not his place to give interviews, but to provide the chief of state with information. In any event, for his discretion and competence, along with a liberal spirit and the democratic principles which he professes, General

Ivan was one of the most sought-after individuals in the Palace during the early days of the administration, although he is now attempting to draw back a little. Congressmen also seek him out, and they are well received.

The SNI denies recent reports that it is conducting an ideological screening of the officials entrusted with the agrarian reform project, as well as the higher echelons of the Ministry of Agrarian Reform. "The SNI is absolutely not conducting any screening, in agrarian reform or in any other sector of the government," one of the SNI chief's principal aides stressed. In any event, the sources said, the [agrarian reform] organ was going about its mission, but if there were any possible political repercussions, it would be by the nature of agrarian reform itself, and not any SNI involvement.

The SNI still has files on various citizens who are catalogued in its archives for various reasons. The official explanation is that "it is the data base for an intelligence service." However, regarding the citizen's right to seek out information about himself in the archives, "nothing has been changed yet." In other words, the archives and their files are considered private SNI property. Regarding wire tapping, according to Gen Ivan Mendes himself, it could be legalized in cases of national security, but this would depend on the constitutional revision.

SNI sources stress that the agency's participation in other administrative sectors has been exaggerated in the press, as it was before, although the democratic regime has limits which the previous authorities did not observe. Even so, they note that the SNI has the authority to intervene everywhere, particularly when there are problems, such as strikes and other demonstrations that involve the security sector. Agency spokesmen deny that the SNI coordinated the government's actions during the ABC strike.

One of the examples which SNI individuals cited as an exaggeration of their powers is the belief that the security and intelligence departments in the ministries are supervised by the SNI. Those departments are not under the SNI but under their own ministries, stress Planalto Palace sources. Gen Ivan de Souza Mendes, who has been praised by the politicians who have conversed with him at Planalto Palace, frequently travels with President Sarney, but he does not necessarily go along on all the trips. "It depends on the occasion," say SNI sources. It was different in the previous government; the SNI chief was the president's most powerful advisor.

The attempt to involve the SNI in the Baumgarten case, because officials who served in the agency were a party to it, should be set aside, in the opinion of the new leaders of the agency. The Baumgarten case is a police matter and should be seen as such, without any special treatment for former SNI members possibly involved in the investigations. The impunity which was encouraged by the authoritarian regime does not exist in the government of the New Republic, and this is another basic difference between the SNI of yesterday and today.

Even the opposition acknowledges, through statements by its most expressive leaders, that there has been an obvious change in the behavior of the intelligence service. Former Minister Jarbas Passarinho, who participated in all

the revolutionary governments, either as minister, governor or president of the National Congress, declared that the intelligence services, which once placed great emphasis on the ideological area, now prefer to operate in a different way. "Particularly the SNI," he declared, "which advises the president more in terms of gathering data on individuals chosen for a particular type of post, from the standpoint of their moral fitness."

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BRAZIL

# PIRANHA AIR-TO-AIR MISSILE TO BE MARKETED IN 1986

Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Jul 85 p 6

[Article by Dalton Moreira]

[Text] Taubate--The Aerospace Technology Center (CTA) in Sao Jose dos Campos, 97 km from Sao Paulo, will probably put the first 30 units of the Piranha air-to-air missile on the national market by the end of 1986. Starting in 1987 it will be sold in other South American countries and in Europe. Each unit will cost \$100,000.

This information about the Piranha--the first air-to-air missile built in Brazil--was given exclusively to FOLHA DE SAO PAULO by the CTA director, Air Force Gen Hugo de Oliveira Piva, 58. He also explained that planning for the missile began in 1976, although between 1977 and 1982 the program "got out of step due to financial troubles." The total amount to be invested in the project was not revealed by the center's director.

Hugo Piva added that "not until 1983--when the funding had been obtained--could the work be conducted at a regular pace and its conclusion scheduled for 1986. There are now about 26 persons in DF Vasconcelos (a company located in Sao Paulo that will be responsible for quantity production of this tactical weapon) and 20 in the CTA involved in this project."

The CTA director said further that the Piranha's principal characteristics are infra-red guidance and an average range of 6 km. It is 2.72 m long, has a diameter of 152 mm and weighs 86 kg. Its warhead is 12 kg of high explosive and it reaches a velocity--at sea level--of 2,860 km per hour.

## Land Version

According to Hugo Piva, starting in 1989 the Piranha may have another version: ground-to-air, that is, it will be launched from the ground in order to hit a target in the air. In this case, it will be used in defense against enemy aircraft on air bases and military units. He explained, however, that this new version of the missile could be put on the market--domestic or foreign--only after CTA experts develop a "booster" (apparatus intended to give initial velocity to the missile when it is launched from land).



It will be possible to launch the ground-to-air missile from any combat vehicle produced in Brazil, such as the Urutu and the Osorio, both made by ENGESA [Specialized Engineers, Inc.]. The air-to-air missile, in turn, can be attached to fighter planes such as the AMX, co-produced for use of the Brazilian and Italian air forces (production in Brazil is being done by EMBRAER [Brazilian Aeronautics Company]). Both of these firms are located in Sao Jose dos Campos.

A priority project for the CTA this year, according to Hugo Piva, is construction of the Alcantara base in Maranhao, which 2 years from now will be the launching site of the first Brazilian satellites, now being designed by the National Institute of Space Research (INPE). Construction is to begin in August of this year. The CTA is responsible for building the satellite launching vehicle (VLS), as well as the base.

#### Atomic Bomb

Hugo Pivo also asserted that Brazil has the capability of building its own atomic bomb, as it is mentioned by "several international publications as being a country that appears to have this capability." He believes that "in the future Brazil will be able to build its own bomb. It is a matter of a policy decision. I believe--this is a personal opinion--that if Brazil marshalled all its scientists we would be in a position to build it. No policy decision has yet been made to do so."

Regarding reports that the IEAV (Advanced Studies Institute), the newest body within the CTA, is already developing the Brazilian atomic bomb, Hugo Piva said that "this is a falsehood," but admitted that the basic research being conducted by IEAV scientists to support the Brazilian nuclear energy program may indeed lead to "enrichment of uranium."

#### Weapon With Good Sales Potential

[By the FOLHA DE SAO PAULO editorial staff]

Sao Paulo--The Piranha has several characteristics that could make it a sales success abroad. Today missiles are routine equipment of air forces around the world and weapons such as the Brazilian model are basic equipment, as indispensable to the arsenal of modern fighter aircraft as machineguns were in World War II. This type represents the middle of the road between long-range sophisticated missiles, which only the large powers are able to make, and the guns that are still used widely.

The importance of this type of weapon for combat between aircraft may be perceived by their use in the Falklands/Malvinas war in 1982. The best known and most widely used short-range missile, the American-made Sidewinder, was furnished in large quantity to the British, who needed them desperately for defense against incursions of the Argentine Air Force.

Only a few countries produce guided missiles for aerial combat. And the cost is expensive. The Piranha has a potential for

enormous sales because, although it is not as sophisticated as the latest models of the Sidewinder or its Israeli equivalent, the Shafrir, it has the advantage of being much cheaper. Taking the cost-benefit ratio into consideration, so dear to those who administer military aviation, it is seen that the technological difference is not all that important, especially in the Third World.

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BRAZIL

# GOLD SMUGGLING, DRUG TRAFFICKING, BOLIVIAN ARMS IN RONDONIA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jul 85 p 9

[Text] At a meeting with President Jose Sarney, Deputy Sebastiao Curio asserted that "about 70 percent of all the gold mined at Serra Pelada is smuggled abroad." Curio cited as an example the recent export of 70 tons of the metal to Uruguay, which has no gold reserves.

The Para deputy believes that with the return of the Federal Police forces to the mining area--from which they have been absent since the end of the previous government--the amount of smuggling will decrease, as they are better equipped to combat illegal sale of gold in the region: "In this case the federal police will replace the Para civil and military police."

At the Tapajos gold fields, also in Para, there has also been diversion of gold, according to the deputy. He said that the quantity of gold purchased by the Federal Savings Bank is insignificant and disputes the official figures of total gold output nationwide: "They say we are producing 40 tons, which is wrong. The miners dig up more than 100 tons of gold annually. The rest is smuggled out of the country."

## Military Police Clear Area

Yesterday the Military Police [PM] cleared out a gold-mining area on Brazil's border with Bolivia, in the municipality of Guajara-Mirim, in Rondonia, where there had been about 4,000 prospectors. According to reports from local police transmitted to the DNPM [National Department of Mineral Production], large-caliber weapons were furnished to some of the miners by Bolivian guerrillas. There is also said to have been cocaine traffic in the gold field, which was formed in an area leased for gold prospecting to a mineral company thanks to an authorization granted by a local judge. The Rondonia PM mobilized more than 100 men to remove all the prospectors, but their great fear was whether the heavy arms, that had been discovered by the police, would be used.

In making the announcement in Belem, Jose Belfort Santos Bastos, director general of the DNPM, said that he will try to enforce the laws strictly so that the rights of business and prospectors are respected, doing away with "banditry in the mining areas." According to him, some of the areas leased to the company are being encroached upon, not by gold prospectors, "but by pseudo-prospectors and

even by bandits." He said that mining must be protected just as are mining reserves: "For this, the state must be present."

After swearing in the director of the 5th District of the DNPM, Belfort talked with Gov. Jader Barbalho about taxation of bauxite. The governor complained about the very low rate of the IUM (Singla Tax on Minerals). The export price of bauxite is \$28 per ton, but the state receives only 20 centavos per ton. The government will have to change the basis for computing the tax if the share of the state is to increaae.

The DNPM director confirmed that [Mines and Energy] Minister Aureliano Chaves will release 120 billion cruzeiros for investing in official mining agencies before the end of this year. Priority will be given to basic mapping, a service that has been deactivated in recent years.

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CSO: 3342/231

CHILE

CARABINEROS DIRECTOR DISCUSSES CURRENT SITUATION

PY140139 Santiago LA TERCERA DE LA HORA in Spanish 4 Aug 85 p 8

["Highlights" of interview with Carabineros Director General Rodolfo Strange Oelckers by reporter Maria Eugenia Oyarzun, published in full on 30 June by LA TERCERA DE LA HORA; place not given]

[Text] [Oyarzun] Several rumors have been circulating recently that Carabineros officials are reportedly involved in the kidnapping of a sociologist and the murder of three Communist Party members. What can you say about that?

[Strange] I have also heard many rumors that are simply that, rumors. These rumors will continue because this is a tactic being used to distort certain situations. This issue is in the hands of the courts. We respect the courts and we will fully and enthusiastically cooperate with them to clear up these crimes. We have to wait for a court ruling. How can we face rumors? Well, as long as they are rumors, we must take them as such.

[Oyarzun] How do these rumors affect you as Carabineros?

[Strange] Rumors are difficult to deny. Rumors are not taken as true. To deny a rumor is like preaching in the desert. However, we certainly want everything to be cleared up and to prevent these rumors from continuing, rumors which, of course, do not please us.

[Oyarzun] What do you think is the origin of these rumors affecting Carabineros?

[Strange] I do not know. I cannot say precisely. We will have to find out who began these rumors to see their objective.

[Oyarzun] Will the end of the state of siege make the Carabineros' work easier or more difficult?

[Strange] It does not make any difference to us. It will not make our work easier or more difficult. In either situation we have a great deal of work to do.

[Oyarzun] Minister Cuadra has reported the existence of a sort of "joint action" of opposition sectors, especially of the left, at the universities. Have you detected this?

[Strange] Whoever has witnessed the recent demonstrations at the universities must have been able to verify that it is a very small group that goes out of the institutions to shout and hurl objects at Carabineros. They certainly cause problems for pedestrians who cannot pass those places. They are annoying the people and harassing the Carabineros. I repeat that a very small group is responsible for these actions.

[Oyarzun] Do you think that a state of violence prevails in the country?

[Strange] Violence has greatly decreased. There are some isolated bloody events. I am referring to assault cases. And the people pay a lot of attention to the news.

[Oyarzun] It is preventive and repressive as well. When we talk about preventive work, we do not know its the scope. The scope of that work cannot be measured. The ideal thing is to have normal living conditions without noticing the existence of the police.

[Oyarzun] What do you think about the Catholic bishops' call for a reconciliation of all Chileans?

[Strange] I am a Lutheran. I am not a Catholic. But I respect the Catholic Church and all other beliefs. All religions talk about reconciliation. It is obvious that there must be peace. When social peace is disrupted and we feel that the values that must prevail in society are collapsing, we are also affected.

[Oyarzun] What has been the Carabineros' role in the struggle against drug trafficking over the past year?

[Strange] Between March 1984 and March this year the Chilean Carabineros detained 814 people for drug trafficking, 21 people for manufacturing drugs, and 4,249 for consuming illegal drugs. During the same period we seized 14,806 grams of cocaine, 20,106,544 grams of marijuana, 250 grams of other drugs, and 5,677 doses of other pharmaceutical products.

[Oyarzun] What is the OS-7?

[Strange] It is an organization specializing in the struggle against drug trafficking and prevention of crimes. However, it is not only the OS-7 that is in charge of investigating drug trafficking. All Carabineros have the obligation to centralize actions against drug trafficking.

[Oyarzun] Is the OS-7 only preventive, or is it also a repressive organization?

[Strange] Obviously it is also repressive and not just preventive.

[Oyarzun] Doesn't the OS-7 have anything to do with politics?

[Strange] No.

CSO: 3348/885

CHILE

PUBLIC POLL SHOWS DESIRABLE QUALIFICATIONS FOR NEW LEADER

Santiago HOY in Spanish 15 Jul 85 pp 6-10

[Article by Ascanio Cavallo]

[Text] Wanted:

Sex, male; civil status, married, preferably with children; age, between 46 and 55; profession; lawyer; career, public and well known; origin, an identifiable political party.

The reward? Leadership of the country and, most likely, the presidency of the republic.

This is the profile of the person that Chileans are hoping for, to emerge from the present political morass. The result is not at all capricious; it is based on a detailed investigation which served as the graduate thesis of Carolina Vicuna, a student at the Professional Institute of the Pacific.

The description certainly does not identify anyone in particular, and could pertain to many. On the other hand, it offers a few clues for learning what is expected of the political elites at a time when most of the people feel that there is a widespread lack of leadership.

Nor is this a gratuitous assessment. Based on the latest polls, there is no one in the country who would receive more than 5 percent of the individual backing. And these are samples in which the margin of error is precisely close to 5 percent.

In the latest quarterly study of the Diagnos firm (which is sold by subscription and attempts to establish a "situation chart" of public opinion), it was asked, for example, who could solve the country's problems. Only two persons exceeded 4 percent: Cardinal Juan Francisco Fresno (whose score rose after he assumed his new dignity), and Gen Augusto Pinochet; while 53.5 percent of those polled opted for a brief response: "No one."

## Retired and Decapitated

In the case of Pinochet, an even more significant fact is added, which does not come from outside the regime, but rather from the polls directed by the General Secretariat of Interior itself (and taken by the Skopus company). In the latest quarterly sample released in mid-June, the support for the president showed a substantial decline. The worse part of it is that, when people were asked for the current reasons for criticizing the regime, two issues appeared clearly as primary ones: the status of the retired persons (after the suspension of readjustments), and the case of the decapitated persons.

The effect of those figures was such that Pinochet held a meeting with his closest collaborators and categorically demanded that the investigation of the decapitations be hastened, or else the government would pay one of the highest prices in its history. Taking that message to the judicial branch was the task assigned to the minister of justice, Hugo Rosende.

The issue of the retired persons, on the other hand, destabilized the internal strength of the minister of economy, Modesto Collados, who showed up as the one responsible for the restrictive measures. It was not without reason: According to the Cooperative Radio computer, which took a "flash" of opinion a few days after the announcement of the postponement of readjustments, 92.3 percent of the population "disagreed" with the measure, and 80.3 percent considered the general situation of retired persons to be "bad."

## Reagon or Alfonsin

If these figures are compared with those from other samples, one can observe the seriousness that the fact assumes for the regime; because it is among individuals over 50 years of age that the government has met with the greatest backing for its public order measures and its speech opposing the politicians. For example, 60 percent of those individuals supported the martial law in November, and 66 percent thought that it was lifted in June "at the wish of Pinochet," or "at the wish of the government, wanting to progress toward complete institutionality."

The polls occupy a preponderant position in the regime's decision-making process. It was a series of samples that prompted the selection of the time for the 1978 consultation and the 1980 plebiscite. A current poll on the economic situation taken last January brought about the decline of Minister Luis Escobar; another on the Catholic Church helped in the adoption of the measures supplementing the martial law, in November; another on popularity created the first problems for former Minister Sergio Onofre Jarpa, when it was learned that his image was several points ahead of the president's. (This situation was reversed later, when it was discovered that 60 percent of the people placed Jarpa in the National Party.)

To a certain extent, the polls of the General Secretariat of Interior (taken regularly since 1976) have replaced, for the regime, the mechanisms for democratic expression. But, by the same token, they entail the high risk of being



misinterpreted. (Up until now, the regime's polls have been distributed only among a few advisers and to the Military Household.)

The government was enthusiastic about the initial figures on martial law. Shortly before its establishment, the data on it indicated that the citizenry graded the administration with a score of 4.2 on a scale from 1 to 7. During the first quarter under martial law, the figure rose to 4.9.

At that time, the government was engaged in investigating the issues involving image that could help or hurt it. Forms from those samples which HOY has in its possession reveal that wish: it was asked which TV host people prefer, who speaks best, which personal style is most fitting, to what degree is there participation, what types of candidates are most attractive, what types of presidents are most "authentic" (the options were Reagan or Alfonsin) and what their perception was concerning events such as the earthquake of 3 March.

#### Violence, Constant

Near the end of the first half-year, it was obvious that the popularity of martial law was declining at full speed. That conclusion is backed by all the polls. For example, ESTRATEGIA published Testmerc's figures showing that 71.8 percent of the population considered the lifting of martial law "positive."

This figure coincides with others (see page 6): for example, those relating to the increase in political violence. According to Diagnos, 82.7 percent think that this type of incident "is constant," a number amounting to 95.5 percent among the lowest socioeconomic strata! A total of 83 percent of the same social strata perceive "their personal security greatly threatened; while among the population as a whole, that concern affects 57.8 percent.

The matter of personal security is a recent issue in the national concerns, but it has come to occupy a preeminent position within a very short time. Hugo Rivas, of Diagnos, explains: "These increments occur after major current events, but they can remain for a long time."

For example, incidents such as the seizure of the Arturo Alessandri High School last week could have an effect on samples concerning violence. To date, the population perceived that acts of juvenile violence "have increased" (77.4 percent, and among the upper stratum, 96.1 percent); and the main cause cited is the "lack of expectations or an uncertain future" (31.6 percent).

During the past 2 months, all the areas of concern have obviously deteriorated: 58.5 percent think that the economic situation has worsened; 80.9 percent claim that the price hikes are greater than the CPI; and nearly 70 percent believe that the political situation "will become worse" or "will remain the same."

In the relationship between problems and solutions, a large majority (see page 6) think that democracy is either "very necessary" or "necessary": 97.1 percent. A majority also think that it will take the next 18 months to reestablish it in its entirety (65.2 percent), or to activate some mechanisms such as the political parties (85.5 percent) or municipal elections (75.5 percent).

## The Four Items

Nevertheless, what are the most concrete and urgently needed requirements? Making a necessary exception ("these polls are in the metropolitan area, and cannot be projected to the regional situations"), Guillermo Cumsille, from Diagnos, set a scale for HOY:

1. Improvement of the overall economic situation, a context in which unemployment, low wages and layoffs have prime importance: 54 percent would like automatic readjustments, based on the CPI; 52.4 percent, an increase in minimum wages; and 41.2 percent (which rises to 62.7 percent among lower strata), a return to job immobility.
2. A solution to family and personal problems related to the economic situation. Among the middle and upper strata, the predominant problem is debts, whereas among the lower ones the priority is distributed between food, education and housing.
3. Personal security, which the majority consider to be jeopardized. When asked what conditions would be required for an extensive political debate, 47.9 percent mentioned "greater guarantees for individual security" (the first two conditions are an end to restrictions on the press, with 52.5 percent, and the full operation of the political parties, with 50 percent). A total of 79.9 percent (rising to 98.7 percent among lower strata) consider the solution of the recent political crimes to be "very important" for national peace. But 55.4 percent think that the justice system will not solve them, and 39.2 percent think that it will do so only halfway.
4. The expectations regarding democracy, which have been growing from month to month. Apart from the dates that are regarded as most appropriate, there are also comments on mechanisms: concerning the press, 75.6 percent think that complete, unrestricted freedom should exist; 74.8 percent deem a political dialogue between the opposition and the government necessary (45.7 percent say that it should be between all the opposition and the government); 56.5 percent consider a broad debate on the political laws to be "very necessary"; but 46 percent have "little interest" in being informed about it under the present conditions. If those conditions changed (in order: end of restrictions in the press, operation of political parties, more guarantees for personal security, an end to the restrictions on the right to assemble, and others), 96.9 percent would be interested.

This issue is closely linked to the perceptions on the institutionality that the regime wants to promote. The Cooperative computer recently discovered that 54.1 percent are unfamiliar with the mechanism for the presidential succession stipulated by the Constitution of 1980; furthermore, 35.8 percent were mistaken in describing the method; and only 8.4 percent correctly stated that in 1989 the Junta would propose a single candidate to be subjected to a plebiscite.

## Government Formulas

At the same time, associated with the prospects noted for the potential leader are the responsibilities that he would have to assume, and the possible origin that the population would assign to him.

Both the Diagnos figures and those of the General Secretariat of Interior agree that the greatest amount of sympathy is received by the Democratic Alliance: the two polls give it over 40 percent, and in both there is detected a tendency to rise (approximately 5 points during the past 3 months). Second place, at quite a distance, is held by a government headed by Pinochet and one of the MDP [Popular Democratic Movement], in both instances about 12 percent. Third place is held by unspecified formulas; and fourth (6 percent), by formulas involving an exclusively military regime.

The conclusions? They are open to a multiple, extensive interpretation. For the present, one thing is certain: the necessities, the fears and the positions are there.

Over half the people claim that one element is missing: the leader.

### What Is a Christian Democrat?

According to the Larousse dictionary, a Christian Democrat is "an advocate of a political system in which the power belongs to the people and who is guided by the principles of Christ's doctrine expressed in the Gospel." The generic description says little about the material reality of a Christian Democrat in present-day Chile.

Now we can learn a little more, thanks to Carlos Huneeus and other researchers at the Academy of Christian Humanism, who took a detailed poll during the national board meeting held by the Christian Democratic Party at Punta de Tralca, last June. The questionnaire, adapted from a model used in Europe, seeks the profile of the parties' "intermediate elites." (Here in Chile, "legally," they are only movements of opinion.) In this pioneer experiment for Latin America (which its authors hope to repeat with other parties), 148 leaders of that type were subjected to 39 carefully selected questions.

According to the majority averages, a typical Christian Democrat was converted as such between 1937 and 1963, before the Frei government; he usually joined a territorial organization or the youth group; he did so "because it is in accordance with my ideas, my religious faith and my training," and he seldom belonged to another party previously.

These intermediate leaders are usually professionals, but unemployment also occupies a significant place. They have "acceptable" incomes and describe themselves as men of the "middle stratum." In placing themselves in the political spectrum, they unhesitatingly opt for the complete center; on the other hand, their religious faith ranks between 5 and 8 on a scale of 1 to 10.

The greatest sympathies are with the Alliance socialists, whereas to them the most disliked is MIR [Movement of the Revolutionary Left], followed by UDI [Independent Democratic Union]. Among the social organizations, the maximum esteem is for the Chilean Human Rights Commission, followed by the Vicariate of Solidarity; and the affections are equally distributed among the National Workers Command and the Democratic Workers Confederation, while FEUC [Federation of Catholic University Students] is preferred slightly over FECh [Student Federation of Chile].

Among the family members (82.3) and friends (55.8), the Christian Democratic Party predominates; but among the broader circles, these people are associated with the opposition as a whole (70.1 percent). To a very large extent (36.7 percent), they have been victims of the harshest repression (arrested, tortured, banished, beaten or exiled), and of other types, such as joblessness and layoffs (20.4 percent), as well as threats (15.6 percent); making a total of 72.7 percent victims. They think that the economic crisis has hurt them either "very much" (24.3 percent), "much" (37.8 percent) or "partially" (29.7 percent). The majority are advocates of the mixed economy (89.2 percent), and think that the state should control only the strategic areas (69.5 percent).

#### Democracy, That Necessity

How necessary do Chileans think democracy is to solve the country's problems?

	Socioeconomic Group				Ages			
	Average	High	Medium	Low	18-28	29-39	40-50	51 and over
Very necessary	67.1	63.2	87.2	51.1	70.6	68.0	69.9	59.3
Necessary	30.0	36.7	12.7	43.0	29.3	26.1	30.0	34.7
Fairly necessary	1.2	0.0	0.0	2.7	0.0	5.7	0.0	0.0
Unnecessary	0.7	0.0	0.0	1.6	0.0	0.0	0.0	2.9
Very unnecessary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Don't know	0.7	0.0	0.0	1.5	0.0	0.0	0.0	0.0

#### Violence and Security

The acts of political violence are:

Constant: 82.7

Temporary: 16.8

Don't know, no answer: 0.3

Solving the recent political crimes for the sake of peace in the country is:

Very important: 79.9

Fairly important: 20.0

Not at all important: 0.0

As a result of the atmosphere of political violence, personal security is threatened:

Much: 57.8  
Fairly: 25.5  
Little: 16.5

Did you agree, or not, with the martial law last November?

Agreed: 47.7  
Disagreed: 43.2  
Don't know, no answer: 8.8

#### Institutionality

Interest in being informed regarding the political laws:

Considerable: 22.7  
Moderate: 31.2  
Little: 46.0

If the appropriate conditions were to occur, would you be interested in participating in the preparation of the political laws?

Yes: 96.9  
No: 3.0

What date is most fitting for

- a. The reestablishment of democracy?
- b. The full operation of the political parties?
- c. The election of mayors and council members?

1985: a, 47.4; b, 54.0; c, 44.2  
1986: a, 17.8; b, 31.5; c, 31.3  
1987: a, 8.3; b, 11.6; c, 15.5  
1988: a, 3.5; b, 0.0; c, 2.1  
1989: a, 15.1; b, 1.3; c, 1.9  
Never: a, 5.0; b, 1.3; c, 0.0  
Don't know: a, 1.6, c, 4.8

2909  
CSO: 3348/878

CHILE

SOCIALIST LEADER LOOKS TOWARD FORMATION OF 'NEW LEFT'

Santiago HOY in Spanish 15 Jul 85 pp 10-11

[Interview with Socialist Bloc leader Ricardo Nunez Munoz, July 1985; location not specified]

[Text] Ricardo Nunez Munoz (aged 45, married, with two children) spent 4 years in exile before resuming the difficult task of seeking the socialists' unity. He currently heads the Socialist Bloc, possibly the initiative with the greatest chances of combining the scattered groups of the "socialist world," which, in his opinion, are not in the original party now.

Since Nunez also belongs to the Briones socialists, last week (when he spoke with HOY) he was "particularly gratified" by the results of three important meetings held between Friday, 5 July and Sunday, 7 July. The first was the socialist plenary meeting at Punta de Tralca, where the most pressing issues affecting the Briones sector (including the Civic Front) were discussed, and the position of "critical support" for the Democratic Alliance was renewed. The second was the official incorporation of a group of intellectuals into that movement (HOY No 416). And the third was a socialist "program meeting" with the Worker-Peasant MAPU [United Popular Action Movement], the formal beginning of the integration of both parties.

Meanwhile, the Socialist Bloc is preparing for a special assembly at which it will be attempted to reaffirm the ties with MAPU, seeking rapprochement again with the Christian Left, and calling Mandujano's socialist sector, the Radicals and the Social Democratic Movement to become incorporated. All of which means that the Bloc is engaged in seething activity; although it may not appear to be:

"In the Socialist Bloc, as in the entire Chilean opposition, there is a process of discussion aimed at clarifying our own role in the development of a broad opposition, without exclusions, and also on behalf of the unity of the socialist area in the country."

[Question] There has been talk of that unity for years, but there are still many socialist groups.

[Answer] I would say that it is the only sector in which the tendency toward division has been reversed. There was the meeting over the weekend with the process of integrating the Socialist Party with the Worker-Peasant MAPU, as well as the incorporation of a group of intellectuals into the Briones socialists. It is an interesting process which, in my view, has started to reverse the fragmentation syndrome in Chilean socialism. To what extent are we going to achieve unity? I would say that events will show that, assuming that there are different tactics and strategies of great magnitude in the socialist area.

[Question] Are they really of great magnitude?

[Answer] Yes, a major difference lies in the design for the society that we want for Chile. There are sectors which share a Marxist-Leninist view, from which is projected a type of society and democracy which, because of its inflexibility and dogmatism, is clearly separated from the more autonomous socialist design, concentrated on the uniqueness of our nation. And it is this concern for the specific quality of our history and culture that also separates us from another, less ideological but also unrealistic design, which seeks to apply to Chilean society the parameters which prevail in European industrial society. Nevertheless, it is our concern to seek a common base from which to build greater understanding.

[Question] Because there are initiatives for unification on that side as well.

[Answer] It is only natural. Furthermore, I think that it is proper for them to seek rapprochement among themselves.

[Question] But do you think that they hold any significance for the unity process?

[Answer] No, the significance of this is that, for once and for all, the sectors which feel that they are similar to each other should unite. I consider it very important in clearing up the picture.

[Question] In other words, at best we shall have two socialisms in Chile?

[Answer] At best. We must not forget that, in the 52 years of the Socialist Party's history, there was a single party for only 14 years. Now then, there was always one stronger than it or the others.

[Question] I mention it to you thinking that, lately, there has been a great deal of talk about the emergence of a "new left." How would you describe the profile of this movement?

[Answer] Yes, this is very important. I think that the great effort that we are expending in the Socialist Bloc and the Socialist Party taking part in it is that: to create a new left in Chile which would not only be capable of retrieving the great assets of that left and of the popular movement that it represented, but would also be able to take on the great challenges that we have now, opposing the dictatorship and, thereafter, certainly, in the democratic reconstruction of Chile.

A less ideological new left, which would be capable of speaking to the country, and viewing far more the concrete reality surrounding it, and not so much its own reality; a program-based socialism, in the sense of being capable, autonomously, of giving the country viable alternatives: a more responsible left. I think that this is a major task, not just for the left, but for the country; it is a good thing that we clearly perceive that there are two legitimate alternatives in the left: one socialist and another communist.

[Question] In other words, even if another Socialist Party were to exist, the pivotal point of that other alternative would be the Communist Party?

[Answer] Yes.

[Question] Does it mean that, on this side, an attempt is being made to break the three thirds system?

[Answer] Of course, and I also think that the country needs never to experience again the tragedy of the constant ungovernability that the thirds brought.

[Question] Do you think that the experience of this regime has lent a new effectiveness to the forms of democratic coexistence?

[Answer] Actually, the experience of the dictatorship has made us accept the intrinsic values of democracy. But it is very important to realize that, in Chilean socialism, there was always an esteem for democracy.

[Question] But there was a rationale that gave the description "bourgeois democracy."

[Answer] Yes, it is a rationale which became established after the over-ideologizing that the PS [Socialist Party] experienced, particularly from 1965 to 1973; but it is not a preeminent cultural and ideological mark.

[Question] And is the emergence of new images important in this new left?

[Answer] I think that it is significant insofar as there is a national demand for the renewal of the methods, the style and the concept which have governed the country's political activity. This is not necessarily linked with age groups; it implies, rather, that individuals may be perceived as young in terms of the content of their rationale and the methods they use. This is a very substantial part of the Socialist Bloc's attempt: to change the styles of engaging in politics, to view the country more realistically, to confront the complexities of Chilean society, and to maintain the utopia of a real, profound transformation of this society from a socialist standpoint, but more responsibly considering what the agents of the change are and what the factors that could prove to be real obstacles to the change are. And we do not want to promote the change based on a vanguard, Illuminist concept, but rather by committing the majority in the country; we are in favor of a democracy and socialism of majorities.



[Question] And would you say that the Bloc's proposals to the rest of the opposition or to the country are, or have been consistent with that notion?

[Answer] I think so. On 23 March of last year, we cited the need for the combined opposition forces to reach an agreement in a Constitutional Pact. This initiative was intended to prove to the country and to the military regime that there was among these opposition forces a vital commitment regarding the type of democracy that was desired. I believe that it was an element of security, of accord and of consensus.

[Question] But it proved the contrary.

[Answer] Well, we must agree that it was a failure, for us socialists, but for the others as well. Later, it was we who most steadfastly strove on behalf of the Civic Front, which we conceived without any a priori exclusions; because we are convinced that there is a demand among the majority of Chileans in favor of unity. Now, if there are going to be different designs in that unity, that is a good thing. Will it be necessary to set aside certain proposals? Yes, it is necessary. The Communist Party cannot attempt to impose its methods for struggle on us.

[Question] When you say "without any a priori exclusions," are you suggesting that there might be some a posteriori ones?

[Answer] It means that those who refuse to join in this unifying initiative because its principles or its tactical requirements do not satisfy them will have to explain to the country why they will not agree.

[Question] Among the right, there are some who think that the groups in the armed struggle might play with a dual strategy if they are invited....

[Answer] We have said that neither the PC [Communist Party] nor the right may come with a double standard. One comes to this unity with the overt intention of accepting what the majority of the combined political forces agree on.

[Question] It has been claimed that the Civic Front is already half failing....

[Answer] Well, despite all the effort made to limit the Civic Front's convocation, we don't believe that it has failed, but that the political forces must make a greater effort. Considering that this would not be a failure on the part of the socialists, and accepting the existing obstacles, we are ready to eliminate those obstacles. And we shall do so in the student movement, in the trade union movement and among the professionals, summoning the social forces to the maximum extent, to make them a factor (not the only one) that will oblige the political forces to accept this as a national commitment.

[Question] If the Front fails, would the socialists withdraw from the Alliance?

[Answer] We have said that, based on what the Alliance itself decided, the Civic Front must be promoted in a broad sense. It will be our higher echelons, depending on the results, that will determine the conduct to be shown toward the Alliance in the future.

[Question] Would this entail a break with the political center?

[Answer] While the necessity for creating a new left is a factor regulating our internal activity to a large extent, the other factor is the understanding with the political center and the rest of the left. I believe that we have assimilated the experience of the past, and we consider that understanding with the political center to be vital for Chile. If the Alliance should be broken, that would not mean for us that this understanding would not continue.

[Question] And, apart from the Civic Front, are there any other political initiatives planned?

[Answer] It is essential for socialism to give an impetus to the Multi-Trade Union movement, and also to an understanding with the Radicals; giving an impetus to some other unifying mechanisms and other measures in the social organizations. Not until we sense that those political operations have failed can we say that our policy of alliances has failed. And in my opinion both the Socialist Party and the Bloc must give these operations an impetus.

[Question] It is claimed that the Bloc has two hearts: one in the Alliance and another in MDP.

[Answer] I believe that the heart that exists is on behalf of autonomous socialism. There are no dichotomies in essence, but rather the responsibility for realizing that, if Chile is to have an alternative, we are a factor for understanding among the civilians as a whole who, in my view, are reflected basically in the left and the political center.

All of which does not imply that we do not clearly realize that the right, reorganized, with new values, and aware of the failure to which it has brought the country, might also assume its role in Chile's future.

[Question] Do you think that this process has started?

[Answer] I hail it as an event that is present. Today, it is being agreed that Chile will need a right wing force that has a vital commitment to democracy; a right that would allow itself to be tempted again by dictatorial whims would put an end to the interests that it could represent.

[Question] It would appear that there persists among the right a concern over the bills that are yet to be collected on....

[Answer] We all have bills to collect on. I don't think that this is the mechanism whereby we can rebuild Chile.

2909

CSO: 3348/878

CHILE

MINISTER EXPOUNDS GOALS OF AGRICULTURE SECTOR

Santiago ERCILLA in Spanish 31 Jul 85 pp 15-17

[Interview with Agriculture Minister Jorge Prado Aranguiz by Andres Adler;  
date and location unspecified]

[Text] A few days after having assumed his duties as minister of agriculture in April 1982, Jorge Prado Aranguiz (aged 48, married, with two children, former vice president of the National Agricultural Association [SNA]) received in his office a visit from an agricultural leader who gave him a small compass for a gift, telling him that it was intended to help the brand-new state secretary "never to lose the indicator of the sector."

That unique gift has accompanied Minister Prado every day in his administration, and the latest statistical results of the forestry-agricultural-livestock industry show that his policy has been well directed: during the 1984-85 season, historic records were set for wheat, corn and potato production; there was self-sufficiency in rice, corn and beets; there was a 4.7 percent increase in the planting intentions for the next season; and there was a surplus of \$560 million in the sectorial trade balance, in contrast to \$350 million during the previous period.

And without losing sight of the compass, which has shown him that "the indicator of my administration is to make the sector more efficient every day," Minister Prado held a dialogue with ERCILLA:

[Question] How do you feel after learning the results of your sector?

[Answer] Obviously, I feel very happy. It is the result of a very great effort expended by the private sector; and that is why I have great appreciation for the confidence that the farmers have placed in the agricultural policy. It is also a result of all the effort made by the public sector to implement a clearcut, very pragmatic policy, completely bounded by the general principles upheld by the government and, most especially, it is very stable.

[Question] What results has that evaluation brought right now?

[Answer] In this country, which is so long and which has so many parallel types of agriculture, one must break down the situation somewhat. In everything representing the exportable items, the decision is quite evident: to continue making every possible effort to raise the volume exported, new markets, improving quality, new varieties, etc.

[Question] And what about the non-exporting sector?

[Answer] I am beginning to be concerned even sooner than I thought. A distinction must be made between the items which are exportable and those which, for various reasons, are not. If we achieve self-sufficiency in the latter, and cross the line, it begins to be a problem completely different from the one with which we are used to living.

[Question] What would those instances be?

[Answer] Corn, rice, milk and sugar are coming close to that problem. The ones furthest removed from it are wheat and oil-seeds. But, in both instances, very experienced technicians claim that, in about 2 years, we would be at the point of self-sufficiency too.

[Question] The figures from the National Institute of Statistics (INE) indicate an increase in output.

[Answer] There is a phenomenon here that is interesting to analyze. We have transferred a large amount of technology that existed in many Chilean institutions and universities, and we have taken it to the rural areas. The most spectacular part of everything that is happening, rather than the increase in area, which has truly occurred, is the rise in output. In that respect we have broken all the historical records known in Chile for all crops.

[Question] What programs were implemented?

[Answer] We have two programs for transferring technology: one, directed toward farmers with a larger business capacity, headed by the National Institute for Agricultural-Livestock Research (INIA), with the GTT (Technological Transfer Groups); and the second program, run by the Agriculture and Livestock Development Institute (INDAP), with 14,000 small farmers.

[Question] What has the response been in this latter sector?

[Answer] We are having a great surprise in that respect, because these farmers, who have had a great deal of trouble adapting since the agrarian reform process, have found their way again and are raising their output. How did it happen? With the enactment of these two programs, conducted in very simple, very practical language, with a very modern method of communication; but, above all, with stability.

[Question] What importance do you attribute to this latter factor?

[Answer] The feeling of stability in the policy, and of confidence and clarity in the groundrules, has been a sine qua non condition.

[Question] When you took office in this ministry, 3 years ago, you said that the sector's problems at that time were debt and profitability. What is the actual situation now?

[Answer] Unquestionably, the debt was and still is a very important problem in the agricultural sector and in the country as a whole. The renegotiation of the debt occurred, and this enabled the farmers to reorganize their work system. In the realm of profitability, the current gross agricultural product is about 190 billion pesos; whereas 3 years ago it was 150 billion. That is the path we are seeking, to make it possible to pay the debt with that greater profitability.

[Question] Do you consider it practicable?

[Answer] I think that it will be a difficult task during the next few years. I have never avoided recognizing the problem. The first thing that we must achieve is to make agriculture as profitable as possible, so that it will be in the best position to cope with paying the debt, which has been deferred by the renegotiation that took place last year.

[Question] What has the agricultural sector's contribution to the battle against unemployment been?

[Answer] Agriculture is perhaps the industry producing the most employment with the least investment. Agriculture has been absorbing a great deal of employment. At present, we are reaching nearly 480,000 jobs, and we have the lowest unemployment rate of all the country's sectors: 4.9 percent. This matter of employment is very closely related to the environment existing in the regions, which has absolutely nothing in common with the environment in the large cities.

[Question] There are some who attribute a large portion of the positive results to the presence of a policy of price brackets. Isn't that a protectionist measure?

[Answer] International farm prices are tremendously fluctuating, particularly some of them, among which there are pathetic examples. It is impossible to program a long term production if we lack a minimum of stability. While stability is necessary in any industry, it is doubly important in agriculture; because the production cycles are very long. This was the prime reason for the price brackets.

[Question] What other reasons are there?

[Answer] We wanted to apply them on to the products which are appreciably in a deficit situation for the country: wheat and oil-seeds...period. There are no other price brackets for other items and there will not be any; and this is very important.

[Question] Why?

[Answer] For several reasons. These are the main ones: They are very cyclical, very important products, with a large deficit. It would have been very difficult to achieve a rapid recovery for them if we did not offer them a minimum of stability.

[Question] And what other causes warrant the price brackets?

[Answer] With regard to price brackets, it is important to stress that they are completely bound to an average of international prices; they are not reckoned on the basis of production costs, but rather on the averages of the international prices.

[Question] Others have criticized the price brackets, noting that it is the consumers who are paying the consequences.

[Answer] In talking recently with those who disagree with this, we have explained the criticism. In fact, the latter is not against the price brackets, but rather against the level of price brackets. They consider the level too high.

[Question] Don't you agree?

[Answer] Based on the methodology that was used, it is an average of the last 60 months. We consider it feasible to keep it at these levels, and we shall be watching what happens to production.

[Question] The criticism of the price brackets stems precisely from what occurred with the price of bread. What will happen to the price of this basic product that has been rising lately?

[Answer] What has happened, particularly to bread, is that the September hike in the dollar was transferred to the price very late. We had a wheat supply for many months coming from a stock with a much cheaper price. Now, the Chilean wheat supply is starting to decline, and we are beginning to consider importing the missing volume; and wheat is approaching the international price, with the present dollar.

[Question] Should the current price be stabilized?

[Answer] Exactly; I think that there might be a slight rise between the current price and that of the first imported wheat that will be arriving in August; and, later, a stability, unless there is a rise in the dollar scale.

[Question] Speaking of prices, do you consider the current marketing system to be suitable?

[Answer] When I assumed this position, I said that marketing was one of the fundamental tasks that we had to undertake. We have accomplished this in

part, by creating the private purchasing authorities which, in my view, have been a complete success and which have been regulating a larger percentage of the production every year.

[Question] And are you satisfied with what has been accomplished?

[Answer] I have had a disappointment as well. It is that I have not been able to create more purchasing authorities, or to establish competition among them.

[Question] And why not?

[Answer] The amount of money committed is very large, requiring a very large entrepreneurial capacity and very extensive infrastructures. We have not found many organizations willing to undertake this task. The only thing I wanted was for it to be far more competitive work.

[Question] To what do you attribute the high price of land, especially in the central zone?

[Answer] The value of land in Chile is very high at present, precisely for the aforementioned reasons. The profitability is very great, especially from the land suited for export crops. There is an entire process of investment in the agricultural sector, not only in land, but in infrastructure as well. I would say that this is another major result of the policy that has been set. The sector is absorbing capital.

[Question] Would you say that the agricultural sector is undergoing a genuine revolution?

[Answer] I don't like the term at all...Rather, I would call it a spectacular turnabout. And we must have patience, because this sector must be allowed to become calm and consolidated.

[Question] This year, the forestry-agricultural-livestock sector will have a large surplus in the commercial balance. What is the contribution of the Ministry of Agriculture to that exporting effort?

[Answer] Twenty percent of the country's total exports belong to this sector, a figure that has been increasing year by year. We have an entire activity under way for information on the market as a whole, with PROCHILE [Institute for Export Promotion], with the importing of new seeds of new varieties, providing a volume of records of all types. We have a group of producers' committees, based on export items, which are working at PROCHILE, seeking new alternatives.

In 1981, we had a surplus of \$30 million in the trade balance; this year, it is \$560 million; and at the end of the 3-year period, we expect to have a surplus exceeding \$800 million. This is the great contribution being made by agriculture to the national economy's balance of payments.

[Question] Minister how will your state secretariat deal with the process of economic complementation with Argentina? There are some in the sector who have warned about some problems that might arise in this respect.

[Answer] There is no doubt that, in the trade with Argentina, the agricultural issue has assumed fundamental importance, because we all know that country's agricultural potential. I think that those talks will have to be analyzed very carefully, case by case, to seek means that will enable us to achieve rapprochement in this respect, with a great deal of good faith among the parties; but, at the same time, we must be quite aware that we cannot jeopardize everything that we have been discussing; that is, the success of the agricultural policy.

[Question] In addition to the economic aspect per se, there is also the one involving sanitation....

[Answer] This aspect concerns us greatly. We are free of the fruit fly and foot-and-mouth disease. Argentina has both problems; and so we are not going to jeopardize the tremendous economic, human and professional effort that has been made to eradicate these problems. Hence, we shall observe, with a great deal of good faith, but very calmly.

[Question] Is the fact of having been business association director of the sector an advantage or a handicap for you hampering the performance of your current tasks? You must often have sat opposite the chair that you occupy at present....

[Answer] The fact is that it has been more useful to me than difficult. Knowing nearly all the agricultural leaders has made it possible to establish very free and very direct dealings between them and the minister. I would say that the agricultural sector has in the ministry somewhat of its own home, its meeting place. The private sector's participation in all the policies that we have implemented has been a deciding factor, whether by way of personal handling or through the organized work on the commissions broken down by products.

[Question] What are the projects or ideas that you have not as yet been able to carry out?

[Answer] The human being always lives amid necessities. How many more things would one like to accomplish? Developing more technology programs, diversifying agriculture, helping in the best possible manner to solve the debt problem, which disturbs me a great deal, and so many other things....

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CSO: 3348/878




CUBA

## CASTRO ON OLYMPICS: GAMES SEEN FAVORING INDUSTRIALIZED NATIONS

Havana GRANMA WEEKLY REVIEW in English 21 Jul 85 p 3

[Text]

 **LAST MARCH**, President Fidel Castro granted a long interview to Professor Jeffrey Elliot and Congressman Mervyn Dymally of the United States. Many economic, political and historic matters were dealt with in depth in the course of the interview, which continued for several sessions.

As part of that talk, and in response to a question by the interviewers, President Fidel Castro stated Cuba's position regarding the present situation of the international Olympic movement and the next Olympic Games to be held in Seoul in 1988.

The complete text of that part of the interview follows.

MERVYN DYMALLY: One final question for me, and then Dr. Elliot has two.

Is Cuba going to send a team to the 1988 Olympics in Korea?

FIDEL CASTRO: There's been no decision in this regard. We've addressed the Olympic Committee, raising the need to share the Olympic Games between the two parts of the Korean territory, because we feel that if the Olympic Games are held in a country where a bloody war was waged — a war in which hundreds of thousands of people from many nations died, which caused destruction and which inflicted deep wounds on the Korean people — those Olympic Games, as they have been planned, will be sectarian. Rather than uniting, they will divide. Rather than healing the wounds, they will infect them. They won't serve the purpose of peace and co-operation among the peoples. For this reason, we've proposed to Mr. Samaranch, president of the International Olympic Committee, that the Games be shared between the two parts of the Korean territory, as the only possible solution.

The problems that cropped up in Los Angeles should be kept in mind. There wasn't any security in Los Angeles; it would be difficult to argue that there will

be any in Seoul under a repressive, bloody regime — a regime that is an exact replica of Pinochet's or which Pinochet patterned after the Korean one. You know of the horrible violations of civil rights that are being committed there; you know that South Korea is crawling with U.S. bases and U.S. soldiers, besides being the property of U.S. transnational corporations. To insist on holding the Olympic Games as these have been planned, totally disregarding these historical realities, will, I believe, create a very serious problem for the Olympic movement — no matter how much whistle-stopping Samaranch may do in Europe, in the socialist countries and everywhere else and no matter how many trips multimillionaire Vázquez Rasia may take in his swanky private jet to the African countries and the rest of the Third World, after having sold the venue of the 1987 Pan American Games to Indianapolis for \$25 million, thus depriving Cuba of that right. In spite of their optimism, it won't be easy for them to extricate the Olympic movement from the enormous trap in which it has been placed.

Let's wait and see what the reaction of the Third World, of the Non-Aligned Movement, will be; what the reaction of the socialist countries — which didn't attend the Los Angeles Games, because of lack of security — will ultimately be; and what China is going to do. (It should be kept in mind that 100 000 sons of the Chinese people died there, fighting against the U.S. troops that invaded what is now the Democratic People's Republic of Korea.)

Frankly, I believe that the Olympic Games, as they've been planned, are going to create some very embarrassing situations, morally speaking, for many countries — not just for the socialist countries but for many Third World countries, as well.

I've talked with several Third World leaders, and they like the idea; they feel it is fair and consider that the only possible solution for the situation that has been

created is to share the Olympic Games. I believe it's the only thing that would avoid serious difficulties and a possible setback for the Olympic movement.

The Olympic movement was created in the time of colonialism. So far, the Olympic Games have served to parade the rich, industrialized countries' wealth, good nutritional standards and excellent technique. It would be worth analyzing how many medals have been won by athletes from the Third World, from those countries that lack sports facilities, physical education and sports instructors and proper nutrition for the children and young people from whose ranks the athletes must come. How many medals have they won in the Olympics that have been held, and how many have the United States and the other industrialized countries won? On many occasions, those events serve to foster scorn for the countries of the Third World — the countries of Asia, Africa and Latin America: so backward, so incapable, so impotent, so intellectually stunted that they hardly ever win a medal in the Olympics. Every four years, those Games measure the inferiority of the Indians, blacks, yellows and mestizos and the superiority of white society, even though it is the U.S. blacks who win most of the medals for the rich, white, industrialized society of the United States.

Samaranch has requested that the United Nations support the Olympic movement. I agree completely, though I don't think we see eye to eye on concepts, aims and intentions. I feel — and I have thought this for a long time — that the United Nations should not only take an interest but also take a hand in sports, just as it does with science, education, culture, health, industrial development and the economic relations among countries.

I definitely favor the United Nations' having an agency like UNESCO, UNICEF, WHO, or UNDP that will advance, promote and support sports and physical education. Sports and physical education are vital activities for the health, education, recreation and well-being of man. Participating in sports and physical exercise could do more than a million doctors for mankind. Nowadays, physical exercise is used as therapy to prolong life and to combat many ailments. Sports and regular exercise educate, discipline, develop the will and prepare human beings for life and work. I think I owe it to sports that I was able to hold up under the difficult conditions of life in the mountains and then tolerate 26 years of intensive political work without any hypertension or a heart attack. Yet more than 4 billion people in the world have only a vague idea of what sports are. National and international sports organizations could go on operating independently of this United Nations agency to which I'm referring. Even the reformed Olympic movement could go on existing — but with truly democratic rules, whereby all countries would be represented by delegates elected in each of them — under the guidance of the United Nations. Even the Church was once reformed, so why shouldn't the Olympic movement be?

Perhaps it would be preferable for this United Nations agency to handle the Olympics. It's a matter not of the United Nations' supporting the Olympic Committee but of the United Nations' reorganizing and directing the Olympic movement.

The resources for sports events should be used to help the Third World countries — especially the ones with the least resources — to develop sports, so they, too, will have the right to host the Olympic Games. So far, the Games have been held only in rich countries, with the sole exception of the ones that were held in Mexico. Who have won all the medals in the Olympic Games? What use has been made of the fabulous amount of money that was collected at Los Angeles — the \$200 million? It's been said that the money will be invested in sports facilities in the state of California. There, as well as in the rest of the United States, is precisely where the greatest number of sports facilities already exists. Why isn't it invested in a poor Latin American country — in Bolivia, Ecuador or Central America? Why isn't it invested in Burkina Faso, Ethiopia, Mozambique or other African countries? Why isn't it invested in helping to build sports facilities in poor countries in Asia and other Third World countries? The granting of \$200 million to the richest state in the richest country of the world, shows the weaknesses and anachronistic ideas of the Olympic Committee, which is trying to bring professional sports into the Olympics. This grant amounts to pillage, outright robbery and is morally indefensible, since the proceeds of the Olympic Games are the result of the efforts of the athletes from all countries. Without them, there would be no Olympic Games or any proceeds. They say they're going to return part of the expenses the Third World athletes incurred at Los Angeles. It's as insulting an act of charity as the little presents that Vázquez Raña takes the Third World sports leaders in his private plane.

I tell you: the Olympic movement was created in the time of colonialism, and many of its methods, its style and its ideas are rooted in old ideas dating back from colonial times. We really aren't colonies any more. We don't need counts, marquesses and millionaires to tell us what to do in the field of sports. That's why I'm in favor of having the United Nations take a hand.

Our peoples have more than enough physical and mental potential for sports; what we don't have is socioeconomic development, sports facilities and food for the vast masses of the population — and, at times, even for the athletes.

I believe that the same thing is happening in sports as in the Third World countries' economies. Already, the big European cities — London, Barcelona and Paris, the former colonies' capitals — are squabbling over which of them will host the 1992 Olympic Games,

fighting over where the few athletes from the neocolonial countries are going to play their role as also-rans. What chance does Ethiopia, Mozambique, Angola, the Congo, the Republic of Guinea, Tanzania, Zambia, Zimbabwe or any other African country have of hosting them? What chance does Ecuador, Peru, Guyana, Panama, Nicaragua or any other of the more than 100 Third World countries have of hosting the Olympic Games? When will one of these countries be able to host them? That's why I say, again, that the United Nations should step in. I think that, if this problem is discussed there, many interesting things will be brought out.

In short, I feel the same about this concept of the Olympic Games as I do about the relations between the rich industrialized world and the Third World.

You are asking me if Cuba is going to send a team. There's plenty of time to think this over, reflect on it and discuss it with friends in the Third World and the socialist countries. We have a lot of things to say about this.

If the Olympic movement is to be saved, I think they'll have to avoid the catastrophe of Seoul and share the Olympic Games. The Democratic People's Republic of Korea would be willing. I think this would help to save the Olympic movement and then transform it, because it can't keep on going from one crisis to another: a crisis in Moscow, a crisis in Los Angeles and certainly a crisis, the way things are going, in Seoul. That crisis — which is institutional, not situational — must be overcome. Once this is done, the Olympic movement must be transformed — reformed — because it can't go on like that. Some tiny European countries that have few athletes have two representatives on the International Olympic Committee, while other countries that are more important in terms of sports have none. This isn't an organization that represents different countries; rather, it is a self-serving, oligarchic, autarkic institution that names its representatives from the countries of the world.

In short, since you asked me, I'll frankly tell you it's an institution that was created and organized along lines dating from the past century — from the Middle Ages, if you wish — like the orders of chivalry during the Crusades. It's being manipulated by the big Western economic powers; politics is mixed up in this, and I think the most serious issue is Seoul. Where did that idea come from? Who inspired it? How could they make such an absurd decision?

In any case, as I said, we have a long time to think about it and reach a decision.

CUBA

## MINFAR HELICOPTERS, PILOTS USED FOR COAST GUARD WORK

Havana MONCADA in Spanish Apr 85 pp 3-6

[Article by Aurelio Pedroso, photographs by Juan C. Fernandez and Pedro Rodriguez]

[Text] The TGF [Border Guard Troops] have helicopters capable of quickly reaching any place where they must act in defense of our sovereignty or help ships, protect the flora and fauna or fight pollution, among other missions.

A Liberian-registered ship, the "Western Sea," with 17,000 tons displacement plowed through international waters along the Old Bahama Channel heading for the U.S. coast. A mishap occurred near Cayo Confites.

A sailor's mistake in the boiler section caused an explosion which seriously burned more than half his body. It was impossible to give him the proper medical care and they were still far from their destination. Therefore, the captain reported the problem to CLK (international signal) of Nuevitas 14 nautical miles from this cay.

Without the slightest delay, the problem was reported to the closest TGF detachment which promptly took off in a helicopter belonging to one of its squadrons.

It took less than 15 minutes to reach the site of the tragedy. A patrol boat was somewhat behind, breaking the stillness of the waters of the cay with its engines at top speed. With precise instructions to aid or support a maneuver with unpredictable consequences, its radio operator maintained close radio contact with land and air.

In situations of this type, there is not a minute's doubt about helping anyone who needs it but it is also necessary to carry out the operation, avoiding an enemy ruse to commit an act of provocation.

After verifying what had been reported, the incident ended happily weeks later when the sailor was released from the burn unit of the Agramonte provincial hospital. As he left, he gratefully acknowledged: "A military helicopter and you saved my life."

## Emergency at High Sea

One January morning a surface unit left Nuevitás, the most important Camaguey port. From the bridge, its commander issued the necessary instructions to navigate to the planned zone for that day.

Both in air and maritime navigation, problems arise that must be solved from land or right where they occur. The commanding officer on the ship knew this and had no other alternative than to urgently request a plane. About 4 hours by territorial waters from the port, a soldier showed symptoms of acute appendicitis.

The TGF plane had to come to the rescue. Pilot, copilot and flight technician took their places in the cabin. They started the engines, left and right. The flight technician, located between the two men, activated the work brakes, fuel feed, rectifiers and batteries. The radio light was turned on as well as others on the large instrument panel. After verifying all the on-board systems, the technician informed the pilot who gave the classic signal of a closed fist with the thumb up to those on the taxiway.

The rotating force of the five blades bent the grass that surrounded the platform. The helicopter rose slowly, tilted forward and balanced with the tail stabilizer to look for the coordinates they needed.

The power generated by the more than 2,000 horsepower of its engines flattened the small waves that struck the hull of the ship. While hovering, the door was opened and the rescue seat lowered. It picked up the young artilleryman and took him to the hospital.

## Man and Technology

It is very important to outline the collaboration and support provided by MINFAR [Ministry of the Revolutionary Armed Forces], especially the leadership and corps of pilots, technicians, mechanics and all the personnel at its air bases.

Very experienced men help so that the new means acquired by the TGF increase its efficiency in fulfilling the missions assigned to that part of our organism.

This technology, capable of successfully carrying out various tasks of border vigilance and defense, has great operational power which is a solid guarantee for defense and territorial and maritime integrity.

Its objectives include protection of the flora and fauna, the fight against pollution and drug traffickers who land by accident or lose their way and rescue.

It is already common to see a plane fly over our coasts and cays in that broad area of the northern coast while flocks of gulls, cormorants and flamingos--the last being privileged inhabitants of the nature reserves--take hasty flight. A stranger never before seen leaves them quickly behind. On the green fuselage is the inscription: Border Guard Troops.

CUBA

# DAAFAR MANEUVERS USING TEMPORARY AIR BASES DESCRIBED

Havana VERDE OLIVO in Spanish 27 Jun 85 pp 30-33

[Article by Domingo Orta, photographs by Jesus Medina]

[Text] Planes on the road! Don't think that, with this, we are announcing the birth of a new traffic signal or the beginning of the incredible story about traveling by highway in flying machines.

The air was made for them. Their usual corridors and routes are there. They only use the land to get momentum and go back to the skies.

We always think this happens from broad takeoff strips. Sometimes it is hard for us to think that a highway can be used for such objectives.

However...it can.

That morning, as soon as the sun rose, the silhouettes of the MIG-21's became outlined on the pavement. The tenuous rays of the sun seemed to salute the metallic figures and, as they flashed off their bodies, revealed feverish activity around them.

Groups of men clothed in combat olive drab moved diligently around the combat planes. Others were involved in moving unknown equipment and machinery near them. At the end of the highway, military cars crossed rapidly. Preparations were boiling toward takeoff.

What were the unusual visitors doing there? How had they reached that highway segment? What would their future plans be? With these questions going around in our heads, we approached the place. What a surprise! The perfect straight road that extended several kilometers ahead had been transformed overnight into a combat airfield.

Beside the road, among the palm trees, the metallic ears of the radar rotated rhythmically. Under a nearby grove of mangos were the command posts and work sites. Sounds of engines, light and acoustical signals and verbal orders impressed the unmistakable stamp of a tactical flight maneuver on everything.

That was exactly what it was: the MIG-21 squadron, after repelling the massive surprise air attack by the enemy on its permanent installations, had relocated

to its current location and awaited the order to begin actions to provide air cover for the counterstrike by the Army units.

Let us leave them there: the pilots adjusting their clothing for the mission, the technicians and mechanics finishing preparations for the takeoff. Let us take a leap in time and space. Let us reflect....

Plans to destroy our air force while on the ground have always been cherished by the enemy. They tried to do it during the Bay of Pigs. Although at that time we did not have the power we do today, the air pirates were really disappointed.

The old planes, renovated by the vigor of the victorious revolution, managed to survive the surprise and took off time and again to deal devastating blows against the invaders.

New attempted attacks will unquestionably receive a more resounding response. Now we have modern combat means and better trained men who, in peacetime, train to confront any variant that the enemy reserves for us. Therefore, the instruction in the DAAFAR [Antiaircraft Defense and Revolutionary Air Force] units is based on the demands of contemporary combat.

The current maneuver was the culmination of an entire stage of work in which the pilots and technical personnel of the small unit assimilated a complex study program that gave them the chance to act under conditions very similar to a real confrontation.

After spending days and days in the classrooms and with training equipment, steeping themselves in technology, preparing physically and psychologically for the coming test, the members of the squadron saw zero hour arrive.

The combat alarm sounded and each one took his post. The danger of attack could not catch them unprepared. The chief ordered a change of base and everything changed for the personnel: goodbye to the usual wide landing strip, the comforts of camp, the stationary equipment.

On the segment of road selected for the combat airfield, changes were also felt. The soldiers of the Territorial Troops Militia went to help.

Men and women of the Defense Zone helped clear the future landing strip, set up living and working conditions, took over vigilance of the outside circle and concerned themselves with fulfillment of the security measures. This once more demonstrated the cooperation between regular troops and the militiamen.

Conditioning of the terrain quickly ended. When everything was ready, a cloud of smoke and fire descended from the sky and the first metal bird alit happily on the asphalt.

Now the process was being reversed. Soon there would be takeoffs. I watched as the sun began to get stronger and the mechanics and technicians perspired copiously.

Their mission was almost over. At any minute, they would report that the plane was ready.

Then the pilot would approach, receive the communique and, before getting into the cabin, give those who stayed on land a smile of gratitude.

I saw two youths in overalls and pilot helmets approach with a sure step. They explained to me that although the maneuver had a different objective, the command decided to use it to train recent graduates for missions under conditions of reduced air strip width. I understood, then, that he was a beginner with his instructor.

I hurried to take names and ask brief questions. The first was Second Lieutenant Fernando, a recent graduate of the Aviation Pilots School and member of the UJC [Union of Communist Youth]. Since I had the honor of witnessing his flight debut under these conditions, I dared to ask: Are you nervous? The negative gesture with his head and modest smile made me understand that he felt confident.

The other was 29-year-old Captain Rey, instructor pilot first-class, with several years experience in these duties and hundreds of flight hours, an internationalist soldier and party member.

He said: "Although I am not in Second Lieutenant Garcia's place, I also feel confident." The experience of his travel comrade could make anyone confident.

While the MIG went to the top of the air strip, another plane started up its engines. In the cabin was Captain Ezequiel, political worker and combat pilot. He was adding to his flight hours with the mission of intercepting a target.

Once in the air, he followed the instructions of the leadership point and went to his guard zone in the air where the raid was expected.

When the intruder appeared, there was interception and a "duel to the death" began. In an actual case, it would be decided in favor of the bolder and better trained pilot. Both conditions are present in our combat pilots and grow during instruction as maneuvers like the one observed are carried out so well.

After the mission was over, the squadron returned to its permanent location. Its members had many reasons to feel satisfied. They learned to be better defenders of the nation's skies.

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CSO: 3248/480



CUBA

# NATION'S LARGEST OIL REFINERY UNDER CONSTRUCTION IN CIENFUEGOS

Havana CUBA INTERNACIONAL in Spanish Jun 85 pp 58-63

[Article by Pedro Morales; passages enclosed in slantlines printed in bold-face]

[Text] A gigantic plant that is slated to be the largest oil refinery in the country and will process a total of 6 million tons of crude oil per year is being built at an increasingly rapid pace at a 400-hectare site between the Salado and Damuji Rivers, about 10 kilometers from the city of Cienfuegos.

Ninety-seven percent of the plans, the technology and the equipment for this gigantic refinery come from the Soviet Union. An enterprise of the Construction Ministry is carrying out most of the project under the direction of an investment entity of the Basic Industry Ministry.

More than 6,000 men, including engineers, technicians and laborers, not to mention several hundred service workers, are employed in the construction of this industrial center. By 1987 when the project is concluded, about 2,000 people will be employed there.

Pedro Diaz Rodriguez, chief of the Department of Operations at the project, explained that the province of Cienfuegos was chosen for this plant because an uninterrupted industrial development process is going on in this region, and communications facilities—including maritime ones—are magnificent. The geographic location was taken into consideration as well.

/"In addition," he said, "a fertilizer plant operates here too, and it will be able to obtain its basic raw material directly from the refinery through underground pipelines. The largest cement factory in the country is also located here, and in the same way it will be able to obtain its fuel ... ."/

There are three other oil refineries in the country: One in Havana, another in Cabaiguan, Villa Clara, and the one in Santiago de Cuba. Although they have all been expanded, which resulted in a significant increase in their respective production capacities, that was not enough to cover the nation's needs for fuels and lubricants, much of which must be imported from the USSR.

With the new energy complex, which will be able to receive crude by sea as well as by pipeline from the supertanker base that is being built in the city of Matanzas, this deficiency will be eliminated, and there will even be a considerable surplus. [See JPRS LAM 84-035 for article on supertanker facility.] Moreover, the quality of distillation will be higher than that of the older facilities, which have been around for more than 3 decades.

Another high-level technician who is working on the construction of the Cienfuego refinery is Bernardo Noa, an engineer. He said: "When we finish, we will have a model facility where the majority of the most modern and typical oil refining processes will be carried out with a high degree of automation, optimum efficiency, and a high rate of productivity."/

### Heart of Industry

In the large rectangle 2.5 kilometers long and 1.7 kilometers wide, where the refinery will be located when it is finished, can be found what the technicians call the auxiliary facilities, as well as the combined plant itself. The latter constitutes the heart of this industry.

The straight-run distillation plant will be installed to carry out the basic processes. It will yield the essential products, which will undergo mixing and treatment to produce the fuels and other byproducts. There will also be a catalytic conversion plant to raise the octane level of the gasoline, and therefore its quality. In addition, a kerosene hydrotreating plant will prevent the harmful effects that sometimes result from the use of this product.

A hydrotreating plant for diesel fuel will also be built, primarily to reduce the corrosivity of this product. Another facility will refine the fuels used in jet engines, which cannot contain undesirable elements such as sulfur. An additional section, for so-called light distillates, will separate the different gases; its primary objective is to obtain liquefied gases for domestic consumption.

Finally, an isomerization plant will carry out the specialized function of raising the quality of the finished products. Another plant will serve to recover the heat contained in the combustion gases (which will keep down the energy consumption of the industry itself). There will also be a sulfur separator that will obtain this element for use as a raw material in other factories and plants that produce nitrogen, oxygen and compressed air.

Among the most important auxiliary facilities (those which are not part of what is known as the fundamental processing area) is a pier. It will cost about 30 million pesos, and will be more than 1 kilometer long. Ships of up to 30,000 tons will be able to berth on either side of the pier. Its construction required the dredging of 7 million cubic meters of salt marshes, both in the access channel and in the inner harbor where the vessels will turn around.

Carlos Reyes, who received a degree in chemical engineering at a Soviet institute that specializes in training high-level technicians for the

petroleum industry, described the area where storage tanks will contain raw materials and finished products as a /work of art unmatched anywhere else in Cuba./

/"There will be a total of 98 tanks," he added, "both circular and spherical. The ones that will contain the products that are being processed have capacities of between 400 and 2,000 cubic meters; those for finished products will be able to handle 5,000 to 20,000 cubic meters; and those for holding crude oil include some tanks that can hold 50,000 cubic meters. These are the largest tanks that have been built in this country to date; most of them are completed."/

The 50,000-cubic-meter tanks are 17 meters high and 60 meters in diameter. They came from the USSR in rolls, and will be assembled by Cuban technicians with advice from Soviet specialists.

One of the technicians working on the assembly, Julio Vegas, provided some interesting facts: /The highest tower in the refinery, the one called the straight-run distillation tower, is also the highest of its kind in Cuba, measuring a total of 55 meters. A total of 29,400 meters in pipelines will be installed throughout the facility. And just in the assembly section, the workers represent every province in the country./

#### Environmental Protection

One of the most exciting aspects of the construction of this new refinery is directly related to the effort that is being made there to protect the environment.

In the capitalist world it is very difficult for an investor to spend large sums on such things. As a matter of fact, one often reads daily press accounts of ecological disasters caused by industrial waste spills. Moreover, many human lives are lost simply because industries do not have the necessary protective devices.

A short time ago, for example, a U.S. transnational, /Union Carbide,/ caused in India one of the greatest known catastrophes of this type in the world.

The refinery under construction in the bay of Cienfuegos will contain a large residue-treatment plant that will ensure the ecological balance of the bay, which is blessed with considerable natural wealth.

The plant may be considered among the most modern in the world, and it will prevent the leakage of various hydrocarbons and other biological elements. /The water that will reach the bay after the processes will be practically drinkable,/ said Carlos Reyes.

As part of the environmental protection measures, special, very modern mechanisms will be set up to prevent the exhaust fumes from polluting the air. The water used by the plant will also come from a reservoir with a storage capacity of about 800,000 cubic meters; the dam is now being built on the Damuji

River. Thus, current water consumption by other industries in the province or the city of Cienfuegos will not be affected.

### Operation

Does Cuba now have the technicians necessary to operate a refinery like the one under construction?

Bernardo Noa explained in detail how these technicians are being trained to ensure that this industry can develop, from the industrial as well as the human point of view.

/"The technicians," he said, "are being trained under a very complex plan at the site of this project and in the other refineries of this country, as well as in the Soviet Union. Here we have three classrooms where more than 100 young people, with minimal pre-university education, are learning to be processing plant operators, electricians, maintenance mechanics, welders and other technical occupations. Like many other groups that have already received their theoretical training, they will then go to other refineries where they will be given practical training."/

The highest-level technicians, such as engineers, chemists and operation chiefs, are sent to the Soviet Union. There they receive the appropriate training at an institute in Leningrad.

/"Of course," Noa went on, "those are not all the employees who will work in the new industry. Workers from a variety of service sectors will also be used, and they do not need specialized training. Many others who are now working on assembling the plant will stay on afterwards as refinery workers. This will guarantee the continuity of the experience acquired during construction."/

### Epilogue

Perhaps the words of Enrique Torres, one of the welding technicians working on the construction of the refinery, provide the most appropriate conclusion to this report. He learned his trade a short time ago, on this very project, alongside one of the Soviet specialists who are consulting and working directly on the installation. Until he began to work there, he had worked on a nearby farm, so he knew something about the surrounding area.

/"Sometimes they tell me about what Cienfuegos used to be like before. It was a small city, very pretty of course, but it had a very poorly developed industry, if any. There were very few workplaces, and therefore few possibilities for employment. I came here about 10 years ago, and I have seen it grow incredibly, from the urban standpoint as well as the industrial. They tell me that when they built the granulated sugar terminal at the beginning of the Revolution, Cienfuegos residents thought it was the biggest thing in the world. Then came the fertilizer and cement factories, the fishing port, the thermoelectric plant . . . And now, among other things, a nuclear power plant and this great refinery are being built. If that's not major industrial and economic development, I don't know what is!"/

## PHOTO CAPTIONS

1. p 58. The new refinery will cover 400 hectares.
2. p 58. The distillation towers, almost completely assembled.
3. p 58. The refinery's smokestack will be the highest in the country, with a total height of 190 meters measured from the first foundation.
4. p 60. Tanks for storing crude oil and semi-processed fuels.
5. p 60. Part of the administration building.
6. p 60. A partial view of the residue-waters treatment plant, which will prevent any kind of oil pollution of the bay of Cienfuegos.
7. p 60. Some of the Soviet advisers.
8. p 62. The earth-moving is not yet completed.
9. p 62. Engineers Carlos Reyes and Bernardo Noa standing in front of some of the water pipelines for the treatment plant.
10. p 63. The straight-run distillation tower, which is higher than that of any other refinery in the country.
11. p 63. Spherical tanks for storing gases.
12. p 63. Above: One of the most difficult tasks was dredging the part of the bay where the pier will be located.

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GUATEMALA

DCG'S CABRERA ON RIGHTIST PARTIES, POSSIBLE COUP

Guatemala City PRENSA LIBRE in Spanish 21 Jul 85 Sunday supplement pp 6-7

[Interview with the secretary general of Guatemalan Christian Democracy (DCG), Alfonso Cabrera Hidalgo, by Danilo de Leon, at Cabrera's Guatemala City apartment; date not specified]

[Text] A person who has held political party leadership posts for 20 years now can clearly be called a politician. And if, on top of that, he has studied the discipline at Rafael Landivar University and the Catholic University in Chile, no one can deny that he is a political animal.

We are talking about Professor Alfonso Cabrera Hidalgo, a deputy in the National Constitutional Assembly, who took over as secretary general of DCG when the party's rank and file chose Vinicio Cerezo Arevalo as its presidential candidate.

The door swings open at his two-story apartment in La Canada in Zone 14, and we are led into the living room. A few minutes later he finally comes down, apologizing for being late, but "the telephone just didn't stop ringing with the message that the triple alliance had broken up."

Cabrera Hidalgo joined the DC in 1963 and had to go into exile in 1979, he explains. His experience in the rugged world of politics has given him the maturity to size up problems and the skill to move securely over difficult terrain, where "you can find phantoms at every corner." Sipping a cup of coffee, he reviews the current political moment, criticizes the other parties and the administration and gives assurances that the DC will take office on 14 January 1986 with Vinicio Cerezo as president.

The following is part of our conversation:

[Question] As election day draws near, the political rhetoric is growing more violent. It seems as if it is everyone against everyone else, with no time limit and no specified number of falls, as they say in wrestling. Aside from this, you have said that there is an orchestrated campaign under way against Christian Democracy. How do you explain this?

[Answer] Mutual accusations are merely part of the campaign strategy of politicians. We do not engage in such conduct because it detracts from what ought to be a serious matter. Instead of offering the people a way out of the crisis, they push and shove each other around just to make the headlines free of charge.

We Christian Democratic leaders have taken some low blows but we try to react responsibly to the attacks of the pseudopoliticians. We have a long tradition and a policy of constructive behavior for society's benefit. We have built our party in the opposition, amid adversity, and we are not going to spoil so many long years of hard work. The fact that we have had the elections stolen from us several times has strengthened our spirit of struggle and we have matured. As we can demonstrate, right now the DC is the only sound, united party in Guatemala, in spite of our adversaries' efforts.

[Question] What elections are you talking about that you say you have won?

[Answer] I can show you that we won in 1974 and I will tell you again that we also won in 1982 in all of the spots where the voting was monitored. Our opposition coalition with the PNR [Reformist National Party] took 38 and 40 percent of all the votes cast. True, no one knows what the final outcome of these muddled elections was, but if we go by this frame of reference, the DC won in 1982.

I remember what some of Lucas Garcia's officials said, to the effect that elections are won at the ballot box. They were obviously referring to fraud in the vote count. Lastly, we can't forget that we won again on 1 October 1984 when the deputies to the constitutional assembly were elected. History shows that we are a winning party that governments have taken to the cleaners.

[Question] You have charged that a plot has been organized against the life of your party's presidential candidate, Vinicio Cerezo. Would you like to amplify on this?

[Answer] This is a hard question to answer. I would rather not go into further detail. However, I would remind you that the DC is the best informed political party in Guatemala. We have such a well-organized system that the Guatemalan politics girl [refers to an undisclosed source of information that a Sunday supplement columnist often mentions] must be really curious about it. Before making the charge, we had found out from several independent sources that a plot was being hatched to kill Vinicio Cerezo. A faction of the traditional Right was planning to hire the

jackals to pull off the job. We paid a visit to the deputy chief of state, Gen Lobos Zamora, to file our accusation and give him some details, which we agreed not to make public so as not to hamper the investigations.

[Question] What are the DC's sources of information?

[Answer] We developed several to cope with circumstances, especially from 1978 to 1981, when the crackdown on the DC was perhaps at its cruelest. We were persecuted and harassed and lost more than 320 leaders. We were forced to start a system of underground political action (intelligence work) for our own defense and survival. Our party might be better informed about what is happening in the country than any other.

[Question] What faction of the traditional Right would try to kill the Christian Democratic presidential candidate?

[Answer] The people who have not realized that the country must get up to date with certain social and economic reforms, which will lend it political stability. These are the same people who are afraid when they see what is happening in El Salvador. They look at only one side of the coin. The agrarian reform and the nationalization of the banks, for example, but they forget about the danger of the guerrillas taking political power, as has happened in Nicaragua. They fail to grasp that the situation in Guatemala is quite different from the one in El Salvador and that the DC has not even proposed an agrarian reform, just national emergency measures as part of a concerted development program, which Vinicio has clearly outlined.

We are talking about bringing all conscientious sectors into a national unity government and about the idea that united we can overcome the crisis and the chaos that is hanging over the country. Only a government with a Christian Democratic ideology can do this, with the help of other political parties and sectors that believe strongly in democracy and that will become involved in the national reconstruction effort to recover from the economic earthquake that is jolting us.

Moreover, only concerted development will enable us to make these factions of the antiquated Right realize the need for harmonious relations between labor and management, between civilians and the military and between the government and the citizenry by means of a constructive dialogue. And we cannot accept a continued monopoly of economic and political power, as has been the case in our country for the past 50 years.

[Question] You mentioned the economic earthquake jolting us...

[Answer] I feel that the low-income segments of the population are clearly becoming more disadvantaged every day and that poverty and hunger are spreading because of unemployment, which affects half of the work force. So, the economic problem could detonate the bomb that some politicians are hesitantly talking about. If we fail to come up with an immediate answer to our economic problems, the country might be hit by



uncontrollable confrontations that would have unpredictable results and in which there would be only losers.

[Question] Where are the political parties headed?

[Answer] They are all after power, but I think that the people are behind the DC right now, putting it in the lead. The other parties and their candidates are just following the simplest propaganda guideline, comparing themselves to the man in the lead, in a bid to improve their standing. The latest polls indicate that if the elections were held now, the DC would get 40 percent of the vote, compared to 17 for its closest pursuer. This is why all of the candidates are saying "Vinicio and I are in the lead." This is the pleasant side of the campaign. One of the unpleasant sides is when pseudopoliticians engage in mudslinging for publicity purposes.

[Question] What do you think of the half-million or so Guatemalans who in one way or another invalidated or failed to cast their ballots at the last election?

[Answer] There was a great deal of confusion about the mechanics of the voting, as well as a lack of interest. I think that things will be different in November, primarily because this is a general election in which the president of the republic will be chosen, but also because of ideological issues and the sound programs that will benefit the lower classes. I think that the 2.7 million Guatemalans who are registered to vote and who accept the return to democracy will vote much more conscientiously at the next election. I am convinced that many of the people who previously invalidated their ballots will vote for the DC this time.

[Question] What does the DC propose as a solution to the economic crisis?

[Answer] The problem must be addressed honestly, seriously and responsibly. We are critical of the measures proposed by the national dialogue because they are superficial and are designed only to resolve certain problems before 14 January, as if the country came to an end on that date and nothing that happened afterwards were important. The DC has serious programs for dealing with the national emergency that include specific steps for reactivating the economy. They include incentives for farm and industrial production (which will also create jobs), restoring confidence overseas to secure foreign financing, promoting foreign investment, centralizing foreign exchange management, revamping the tax system, and harsh government austerity measures to prevent waste.

Furthermore, I feel that the current administration is being irresponsible by implementing makeshift measures that won't get the country anywhere. We have to remember, however, that as the elections draw near, a power vacuum will develop because the government lacks the consistency to take solid steps to get the economy moving again. So, the next government will

inherit a country on the brink of disaster and will need major efforts to make headway. The two problems that have gotten us into this situation are the economic crisis and corruption. In this regard, the DC will combat corruption and bring the full weight of the law to bear on those who have grown rich at the expense of a collapsing country. We will submit specific evidence of corruption after 14 January.

[Question] Some prophets of doom are saying that the return to democracy might be halted...

[Answer] You put it well. They're prophets of doom, though to tell the truth, we can see some disruptive elements. In any event, I have confidence in the Guatemalan people's devotion to democracy because they are determined to achieve democracy. The prophets of doom are referring to the rifts in the military. If the rifts lead to a crisis, we will be at the mercy of the group that has the upper hand at a given moment.

[Question] Tell me then, who wants to stage a coup?

[Answer] The malcontent circles.

[Question] Who is to blame for the country's negative image around the world?

[Answer] The violence and corruption that governments since 1954 have engaged in are to blame. Since then, the quality of life of the Guatemalan people has declined, while the ranks of the disadvantaged have swelled, life has become cheaper, and human rights violations have worsened. It stands to reason, though, that there has been some improvement since the 23 March 1982 coup d'etat. Systematic repression caused opposition political parties such as the DC to operate practically in the underground. It's a miracle that I'm still alive, after two serious attempts on my life. Unfortunately, there are still organizations today that employ violence. You need only read the papers every day to see what is happening.

[Question] Why do you say that the DC will win the election?

[Answer] Simply because no other group enjoys the credibility that the DC does among the people. They look to us with light hearts and with the hope that things will change. Our party identifies with the masses, with their struggles, their troubles, their needs and their hopes. It is a matter of identification and ideology.

[Question] Will you agree to coalitions to assure victory?

[Answer] All political groups that believe in democracy are welcome, to join us that is. Our political platform rules out traditional coalitions.

[Question] Who is the DC's vice presidential candidate?

[Answer] There were eight people seeking the nomination. After long hours of deep thought, exhaustive analysis and consultation with the rank and file, the party chose Roberto Carpio as Vinicio Cerezo's running mate.

[Question] How do you feel about the breakup of the triple alliance?

[Answer] I have already said how I feel. The triple alliance was based on proportional shares, the well-known dividing up of the pie. It had no consistent political platform. They had achieved unity, if it can be called unity, by planning to apportion government posts, including the presidency and vice presidency. The triple alliance began falling apart when the Revolutionary Party (PR) was rescued from the maelstrom and started following its ideological principles again, and the coup de grace was Alejandro Maldonado Aguirre's rejection of the vice presidential nomination. Some months ago the triple alliance had a chance to take second, though far behind the DC, which was 23 points ahead of it. Now I don't think that the UCN has any chance of making a decent showing in the elections. The coalition's political support was based on mathematics, not on ideology or a platform. They added up the support for the three and were supposed to get 500,000 votes. That analysis was mistaken. The dynamics of campaigns sometimes lead to unpredictable results. The upshot is that they have fallen off the trapeze, and the UCN is at rock bottom.

Now all that party has to do is start saying that the others were corrupt. If it does, the people who are still behind it will desert it for other political groups. You'll see.

[Question] What chance do you think the Right has in the upcoming election?

[Answer] None. The violent Right led by the MLN has no chance at all. The coalition with the PID [Democratic Institutional Party] and the FDP will get them nowhere. This is a time of change, of renewal, and the parties that offer traditional political platforms were cast aside some time ago.

[Question] And what about Serrano?

[Answer] He's a real fighter. He's trying to form a party practically from nothing. During the most recent presidential dialogue, however, he showed that he doesn't even have the backing of the cooperative movement.

[Question] What about Lionel Sisniega and Mario David Garcia?

[Answer] Oh God...

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GUATEMALA

IMF-CENTRAL BANK DISCUSSIONS ANALYZED

Guatemala City EL GRAFICO in Spanish 19 Jul 85 pp 5, 22

[Text] As EL GRAFICO reported in special articles on the International Monetary Fund (IMF) on Saturday 13 July and Sunday 14 July, the Guatemalan delegation headed by Finance Minister Armando Gonzalez Campo and Dr Oscar Alvarez, president of the Bank of Guatemala, visited Washington D.C. primarily to convince the IMF of the progress that is being made in the Guatemalan economy.

This visit was made as a result of the decision by the National Dialogue, in which the following was recommended:

"That a multisectoral Commission on Foreign Financing be appointed to work through all political and diplomatic channels to obtain international support for overcoming the country's economic crisis. These efforts would be oriented first of all toward obtaining the financing necessary to modify the structure of the country's foreign debt, particularly that of the Bank of Guatemala, and thus to minimize the pressure that debt is exerting at this time on the availability of foreign exchange for production."

77 Million Quetzals in New Taxes Not Enough for IMF

The National Dialogue recommended the creation of new taxes and the improvement of administrative measures, and steps have already been taken to implement these recommendations. The taxes would generate a total of 77 million quetzals, of which 60 million quetzals would correspond to the new exchange tax, known by the name of International Transactions Tax; 10 million quetzals would come from the selective tax on the consumption of non-essential goods; 1 million quetzals would be generated by the air departure tax; and 6 million quetzals would come from the land tax.

All these taxes are for one 6-month period, so that next year, 1986, total revenues of 154 million quetzals would be collected. This is equal to 45 percent of the budget deficit that was recorded as of the beginning of this year, as printed in the Official Gazette in Decree-Law No. 120.84.

These taxes are not sufficient, in the view of the IMF experts and managers. They told the multisectoral commission that visited the IMF last Tuesday that

more drastic fiscal, monetary, exchange and credit measures would be necessary.

This means that the IMF wants bank interest rates to be made more flexible and liberal, taxes to be raised, and credit to the government to be reduced. It also calls for the suspension of the excessive monetization that has been taking place in Guatemala for the first time, as a result of government fuel subsidies. Monetization means that for every dollar's worth of fuel that is purchased, the Bank of Guatemala issues 2 quetzals that go into circulation and drive up inflation.

The IMF experts have in mind the tax package that was implemented last April at their own suggestion. It lasted only 4 days, and according to reports at the time, would have yielded revenues of only 70 million quetzals.

The taxes established as a result of the National Dialogue are more than double what was expected to be collected with the reforms implemented in April. It is generally agreed that the multisectoral commission did not make this point strongly enough during its visit with the IMF. In other words, the National Dialogue doubled the amount of tax collections that would have been made under the proposal of the previous cabinet, headed by former Minister Leonardo Figueroa Villate.

#### Reunification of Exchange Rate

With regard to the quetzal's exchange rates with relation to the dollar, the IMF contends that these rates should be brought closer to a single exchange rate, as happened under the exchange controls of 1962 in Guatemala. At that time, the quetzal was placed on a par with the dollar on the Free Foreign Exchange Market. The IMF estimates, however, that under Guatemala's current circumstances, the reunification will place the exchange rate at the level of the Free Foreign Exchange Market, which reached 3.20 quetzals to the dollar today.

The IMF is exerting pressure for the devaluation of the quetzal, but it recognizes that decreeing an official devaluation is politically difficult. For this reason, the Bank of Guatemala has gone along with other Latin American central banks in adopting a "sliding" currency rate to work toward the same objective. This means that more and more sums are transferred continually to the parallel foreign exchange market.

#### Inflation Above 50 Percent in Guatemala

There are no public statistics on Guatemala's current situation because the National Statistics Institute, which is responsible for such data, has not published any. The Bank of Guatemala has compiled figures on inflation but has not made them public. It did give some indications during the National Dialogue, however.

Guatemala's annual inflation is expected to be between 50 and 140 percent in 1985, depending on the economic policy measures that are adopted. If fuels

are placed on the parallel market, inflation will be about 50 percent, although some sectors will be affected more directly.

#### IMF Rejects Loan to Guatemala

According to the results of the National Dialogue Commission's visit to Washington, it is not possible at this time for the IMF to grant the US \$60 million that it left suspended last year. At that time, the IMF technical mission recommended that the institution's management suspend these disbursements because Guatemala breached the terms of its credit agreement with the IMF, and particularly because at the end of 1984, the Bank of Guatemala issued monetary stabilization bonds valued at US \$491 million, exceeding by US \$297 million the IMF-imposed limit of US \$194 million.

This is one of the most delicate issues the Bank of Guatemala must face. At the end of 1984, that institution had a foreign debt of US \$1.25 billion, backed up only by physical gold reserves. At today's gold prices, that means a value of US \$167 million, and the government wants to apply those reserves to the fuel subsidy instead of keeping them to back up the monetary stabilization bonds issued by the Bank of Guatemala.

#### Washington to Lend Us \$20 Million

The United States granted \$20 million in credit to Guatemala in a medium-term loan for the purchase of agricultural products.

A Guatemalan delegation headed by Finance Minister Armando Gonzalez Campo and Bank of Guatemala President Oscar Alvarez reviewed the economic and financial situation and its political implications in a meeting with U.S. officials, the State Department announced today.

A statement by that department emphasized that the composition of the delegation revealed the widespread support among Guatemalans for efforts to overcome the country's political and economic difficulties.

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GUATEMALA

BRIEFS

1984 EXPORT EARNINGS--Bank of Guatemala officials are trying to boost the country's foreign exchange earnings this year (last year's total was equivalent to 750,533,000 quetzals) by issuing 19,780 export licenses, for a total of 829,566,900 quetzals. The products that contributed most to the inflow of foreign reserves were coffee, bananas, cotton, sugar, cardamom, petroleum and meat. Coffee was in first place with 348,941,500 quetzals, according to data provided by Juan Jose Rabanales, director of the exchange department, and Rolando Jimenez, chief of the exports and registration section. A total of 172,949,000 Central American pesos was earned on exports to the Central American nations in 1984, distributed as follows: El Salvador, 100,419,400; Costa Rica, 35,997,100; Honduras, 24,428,000; and Nicaragua, 12,204,500. The products that earned this foreign exchange were live animals, plastic items, tires and rubber manufacturing, construction materials, food and chemical products, and textiles, threads and fibers. Chemicals were in first place, yielding 52,317,100 quetzals, followed by food products with 16,178,200 quetzals. The lowest figure corresponds to live animals, which earned 9,084,400 quetzals. [Excerpt][Guatemala City PRENSA LIBRE in Spanish 18 Jul 85 p 2] 8926

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POLITICAL APATHY FOUND IN MONTERREY POOR DISTRICTS

Mexico City EXCELSIOR in Spanish 17 Jul 85 pp 4-A, 28-A

[Article by Jose Valderrama, Roberto Villarreal and Joaquin Paredes]

[Text] There is an outcry among the squatters living on the hills without services: "We don't want to hear any more about politics. We want the cost of living cut. We want water; we want drainage systems. We want cheap construction materials; we want low-priced food packages; we want more jobs. We want the wealth to be distributed fairly."

In the hills and their colonias proletarias [working class urban communities], La Coyotera, La Piedrera, La Campana, etc., the contrasts with the rest of the city are as tremendous as in the Federal District: up on the hills, poverty; below, in the valley, paving, water, luxury cars, gardens, big stores and residential areas on the rise.

The crushing pace of the struggle to live on the hills has returned to the usual.

The old man dealing in cardboard and rubbish was going along the steep street beside his rickety cart with large wheels, drawn by a mule, seeking a few pesos for survival; the unclad children were returning to their play next to the clothes lines on which the rags are dried out in the open, near the garbage heaps where mangy dogs fight for their food.

A woman came out of a house to hold up with her hands part of the cardboard roof which the wind had torn off. A whirl of dust invaded everything.

At the doors of their shacks on the hill, in the Colonia Altamira, Maria Francisco Rodriguez and Maria Eugenia Carrizales remarked: "Everyone here went for PRI [Institutional Revolutionary Party]. The government has already helped us to hold the land legally, but we have no services; we need inexpensive food baskets, because everything is very expensive in the city shops."

In the La Campana Colonia, almost at the edge of the hill, Manuel Florencio Santos, unemployed, commented: "Yes, everyone here is for PRI, but when the time came, many voted for PAN [National Action Party] to protest; but now no one agrees with anything. After all, the only thing left is poverty. What



all of us need to do is to start working, so as to get ahead personally and let our families get ahead, and the country too; but now you see there is no work, and everything is very expensive."

Other residents claim that almost no one went to the hills to engage in political campaigning, to help the people really solve their problem: neither PAN, nor PRI nor the leftist parties.

The people in Monterrey's poverty-stricken area know little about politics. What is taking place here is a mystery to them. Legions of them did not vote. One man who voted swore that he didn't remember which party he voted for, much less the candidate's name.

A woman said: "That business of elections was a dispute among those down there. Nothing has happened here."

From the Macroplaza, Governor Alfonso Martinez Dominguez' fabulous creation in downtown Monterrey, a site which was resounding with political emotion at the time, the hills looked peaceful, like a Christmas scene. But politics left no trace on them. Everything was calm, the same, with their poverty. Up in the heights, nothing has happened.

2909

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MEXICO

## EARLY HISTORY OF GROUP ORGANIZING URBAN POOR SET FORTH

Mexico City UNOMASUNO in Spanish 12 Jul 85 p 25

[Article by Sergio Tamayo]

[Text] 1980, 17-18 May: Colonia Felipe Angeles in Monterrey, Nuevo Leon. There are 600 colonia [urban community] residents from 15 organizations in various states of the country. For the first time since local attempts at coordination among colonias populares [working class urban communities], there is success in combining organizations of the Popular Urban Movement (MUP) of Zacatecas, Durango, Monterrey, Acapulco, Chihuahua and the DF [Federal District]. A systematizing of experiences is started, in an attempt to characterize MUP socially and politically in Mexico. An analysis is made of the sector's economic conditions, the movement's social base and the relations with other sectors of rural and urban workers, the state's role in urban planning and policy, as a direct active partner in the demands by poor city residents and the reforms enacted by Jose Lopez Portillo's government in the administrative and fiscal areas during this period. The political time has arrived in the context of the political reform instigated that year by the federal government after which a debate, still an open one, begins on the independent social organizations' participation in the electoral processes.

Main results: The Popular Movements Provisional National Coordinating Board (CNPMP) is formed, with express agreement to give an impetus to a mutual solidarity pact against the state's attacks on the democratic movements in the popular urban sector. 1981, April: In Colonia Francisco Villa of the Popular Defense Committee (CDP) in Durango, Dgo. The Popular Urban Movement's Second National Meeting is held, with 2,000 colonia residents, and 60 organizations from 14 states of the republic. The meeting marks the start of a long-term but solid construction process for which it was resolved to appoint, no longer a provisional, but a permanent Popular Urban Movement National Coordinating Board (CONAMUP). There is lengthy discussion of MUP's strategic nature in the country's revolutionary process, more clearly defining the social composition of the colonias, the types of organization and also the objective limitations of the Popular Urban Movement. For the first time, an individual analysis is made of the importance of women in MUP's reactivation, although no concrete policy or action materializes regarding this sector's organization and specific demands.

The differences involving the participation in the 1982 electoral contest that was nearing became polarized. Ultimately, it was decided to uphold the autonomy of the organizations and the right of each one to participate or not in the elections, depending on their political lines and objective local conditions.

Between the Second and Third Meeting activities were carried out which strengthened CONAMUP: On 9 May 1981, in the Colonia San Miguel Teotong in the DF, the Popular Urban Movement Regional Coordinating Board of the Valley of Mexico (CORMUP) is formed, making progress possible in determining the individual demands of the sector in the metropolitan area of Mexico City, calling for an improvement in the living conditions of the colonias populares, the tenants struggle and that against the tax reform enacted during JLP's [Jose Lopez Portillo] 6-year term.

1982. Third National Meeting. 28, 29 and 30 May, in the city of Acapulco, Guerrero; 3,000 delegates, 67 organizations participating. At the meeting the importance of MUP as a revolutionary social forces is intensified; the work to be carried out must clearly coordinate the economic demands with the political ones and, consequently, put into effect a program of struggle which addresses the people's interest from the revolutionary standpoint of social change. During this period, the situation of national crisis, after two devaluations and within the long term recession internationally, as well as the presidential succession, put into context the need for an organized response from the country's workers as a whole. CONAMUP decides to take part in the establishment of the National Front for Defense of the Wage, Against Austerity and High Prices (FNDSCAC); resolving to construct a current, classist, broad front with all sectors of exploited and oppressed workers, promoting a policy of alliances with the other existing coordinating entities (CNPA [National Coordinating Board for the Ayala Plan], CNTE [National Coordinating Board of Education Workers], and COSINA [National Trade Union Commission]), and other democratic and independent social and political organizations.

The unification program which CONAMUP was promoting against austerity and repression, and the struggle for land and housing, were included in the goals of FNDSCAC: the struggle for wage increases and against repression, on behalf of the protection of employment and against the high cost of living.

In this way, there has begun a process of agglutination which attests to the need for finding the channel for an alliance between the rural and urban workers as a whole, on behalf of the procurement of their demands.

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MEXICO

INVESTIGATION OF FORMER STATE OF MEXICO MAYORS UNDER WAY

Mexico City EXCELSIOR in Spanish 12 Jul 85 STATES section p 7

[Article by Manuel Lino]

[Text] Valle Cuautitlan-Texcoco, Mex., 11 July--Former municipal mayors in the state who committed illegal acts during their administrations are being eyed by the State of Mexico Attorney General's Office. New winds are blowing in the department, with the new attorney general.

PRI [Institutional Revolutionary Party] organizations, residents' representatives and other political agencies charged, at the time, illegal acts committed by former municipal mayors of Texcoco, Chalco, Los Reyes La Paz and Tlalnepantla, among others, to the detriment of the community.

According to information provided by the State Attorney General's Office, the new attorney general, Miguel Basanez, has ordered a review of the concrete charges brought before the pertinent authorities by representatives of PRI organizations, municipal cooperation councils and other groups.

This occurred in the case of the former municipal mayor of Los Reyes La Paz, Gabriel Alcantara, who committed misdeeds causing serious harm to that municipal council's assets.

'Chicken Hill'

Another former mayor accused of unlawful acts is the former mayor of Texcoco, Jorge Avila, who, during his administration, ordered a replica, as the people call it, of Arturo Durazo's famous "Parthenon" built in the settlement of La Purificacion. "Chicken Hill," as the building is also called, is a brazen insult to the poverty of this municipality's residents.

Jorge Avila is said to have abused the authority conferred on him by his position as municipal mayor, purchasing the land illegally; because it is all communal farm land, owned by the nation. According to the information supplied by the Attorney General's Office, a mere comparison of his declaration of assets upon taking office as municipal mayor and the properties that he had accumulated by the end of his administration would prove shocking for more than one reason;

inasmuch as he is now the owner of a hotel in the town of Tocuila. It is also noted that, using municipal funds, he ordered the construction of a luxurious, select bar, which he obviously turned over to himself for a period exceeding 15 years.

In the particular instance of Chalco and Ixtapaluca, the former municipal mayors, Licerio Hernandez and Eduardo Espinoza Viveros de los Monteros, respectively, are accused by communal farm agents of having illegally divided the valleys of Ayotla and Chalco, where thousands of squatters are now living.

In the case of the former municipal mayor of Tlalnepantla, Alfonso Olvera Reyes, authorities in the present administration charged that nearly a billion pesos is missing; something that has forced that municipal council to curtail its budget for projects.

The winds of change brought with him by the current attorney general in the State of Mexico, Miguel Basanez, are reactivating the concrete complaints brought before the pertinent authorities who, since that time, had been "sleeping the sleep of the just."

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MEXICO

OPPOSITION FEDERAL DEPUTIES OF 5 MULTIMEMBER DISTRICTS NAMED

Mexico City EXCELSIOR in Spanish 22 Jul 85 pp 1-A, 20-A, 36-A

[Article by Aurelio Ramos and Rogelio Hernandez]

[Text] Arnolando Martinez Verdugo, Jose Angel Conchello, Heberto Castillo Martinez and Rosario Ibarra de Piedra, among others, head the lists of the eight minority congressional groups that will join the 53d Legislature.

The political records of the forthcoming speakers for the opposition show the strength and experience gained by veteran party leaders, a large number of former federal deputies and heads of labor, peasant and social organizations. Noteworthy will be the presence of 11 women from these entities, that of two former guerillas and that of five representing organizations allied with registered parties.

Appearing currently as the next coordinators of their respective groups are: Jesus Gonzalez Schmall, of PAN [National Action Party]; Arnolando Martinez Verdugo, of PSUM [Unified Socialist Party of Mexico]; Heberto Castillo Martinez, of PMT [Mexican Workers Party]; Pedro Jose Penaloza, of PRT [Revolutionary Workers Party]; Jorge Amador Amador, of PST [Socialist Workers Party], Cuauhtemoc Amezcua Dromundo, of PPS [Popular Socialist Party]; Oscar Mauro Ramirez Ayala, of PARM [Authentic Party of the Mexican Revolution]; and Leonardo Duran Juarez, of PDM [Mexican Democratic Party].

Based on the percentages accrued by each party in each of the multimember districts, National Action would decline from 50 legislators with proportional representation at present to 32; the Unified Socialist Party of Mexico will also find its group reduced from 17 to 12; while other organizations, such as PPS and PST would increase from 10 to 11 and from 11 to 12, respectively. The Mexican Demcoratic Party would retain its number, 12. Joining for the first time will be deputies from the Mexican Workers Party (six), and Revolutionary Workers Party (six); while PARM will rejoin the Chamber of Deputies with nine congressmen, if the unofficial estimates submitted last night at the Federal Electoral Commission session are confirmed.

The groups supporting the Unified Socialist Party of Mexico, headed by Orlando Espiritu and J. Andres Rodriguez, presented the possible distribution of

legislators per party in each one of the five multimember districts, based on their percentages of votes received. Those estimates were confirmed by the representatives of other parties.

#### Two Generations of National Action

Jesus Gonzalez Schmall, Jose Angel Conchello, Juan de Dios Castro, Federico Ling and Gonzalo Altamirano Dimas, on the one hand, and Humberto Rice, Hector Teran Teran, Jesus Galvan Munoz and Cecilia Romero, on the other, are among those representing the combination of two generations of PAN members who will comprise their party's faction of 38 deputies. PAN received six seats in single-member districts.

In the first district, in proportion to its votes, National Action could seat five deputies: Gonzalez Schmall, former legislator, member of the political commission and director of international affairs; Jose Angel Conchello, keen arguer and member of the National Council; Cecilia Romero, instigator and former director of the National Women's Civic Association; Alejandro Canedo Benitez; and Jesus Galvan Munoz.

In the second one, eight PAN members have appeared to occupy seats: Pablo Alvarez Padilla, Maria del Carmen Jimenez, Juan de Dios Castro Lozano, Ricardo F. Garcia, Federico Ling, Jaime Delgado Herrera, Juan Alcocer Bernal and Maria Esther Silva. PAN will seat three women in its group of 32 representative legislators.

In the third district, there are six presumed deputies from the blue and white party: Jorge Eugenio Ortiz, Xavier Abreu, Consuelo Botello, Sergio Teodoro Meza, Humberto E. Ramirez and Ruben Rubiano. The typical feature of most of those on this list is one of being outstanding leaders or activities in their states.

The new batch of PAN members was situated primarily on the list for the fourth multimember district, in which there might be nine congressmen arriving: Hector Teran Teran, Humberto Rice Garcia, Maria Esperanza Morelos, Carlos A. Acosta, Enrique Gabriel Jimenez, Hector Perez Plazola, German Tena Orozco, Victor Guillermo Alvarez and Salvador Landa Hernandez.

In the fifth district, with its capital in Toluca, other "old foxes" from the PAN congressional group, as they call themselves, will apparently be left out of the Chamber of Deputies. Only four deputies from this region will be joining: Javier Paz, Gonzalo Altamirano, Pablo Ventura and Ubaldo Ventura Ortiz. Among those left out will be, for example, Eugenio Ortiz Walls, another one of the expert speakers and skillful arguers.

#### Solid PSUM Congressional Group

According to its own estimates, the Unified Socialist Party of Mexico will have only 12 legislators. However, the group's composition is one of the most solid within the presumed opposition congressional groups, in view of the accumulated

experience of its proposed candidates and of the three joining under its registration who belong to allied organizations.

In the first district, of the three potential ones, the list is headed by Arnoldo Martinez Verdugo, former legislator, the most senior (along with Valentin Campa, current deputy) of the Communist fighters; Jorge Alcocer, a young PSUM member, former adviser of the congressional groups and one of the formulators of his party's economic orientation; and Manuel Terrazas Guerrero, leader of Communist Left Unity and a man with over 30 years in politics representing the left.

Only Pablo Pascual Moncayo will join for the second district: a university leader and jointly responsible for the formation of unions of academic workers, who is a member of the PSUM Political Commission.

Gerardo Unzueta Lorenzana, another veteran of Mexican Communism, a member of the Political Commission and an expert on northern border affairs, is one of two who could join for the third district. The other is the author and long-time Chiapas fighter, Eraclio Zepeda Ramos.

In the fourth zone, prominent among the three who will be legislators is the also long-time agrarian fighter and national leader of the Independent Central Organization of Workers and Peasants, Ramon Danzos Palomino; followed by Camilo Valenzuela, head of Socialist Current, another organization allied with the Unified Socialist Party of Mexico; and Jose Luis Sanchez Gonzalez.

Completing the list of "heavy artillery," as they term it internally are: Demetrio Vellejo Martinez, leader of the railroad workers with a long record on the leftist opposition; Leopoldo de Gyves de la Cruz, former mayor of Juchitepec, and leader of COCEI [Labor, Peasant, Student Coalition of the Isthmus]; and Arturo Whaley Martinez, former leader of the nuclear workers.

PDM: Expert Group of Sinarchists

The Mexican Democratic Party, which will reconfirm its 12 positions in the 52d Legislature, did not put inexperienced candidates in the first places on its five lists. Most of those who will join represent the Sinarchist group and share responsibility for leadership in the party and the National Sinarchist Union [UNS].

Of the two deputies who will join its congressional group representing the first district, one is a prominent leader of the UNS: Jose Trinidad Cervantes; and the second, Leonardo Duran Suarez, is a member of the PDM national directorate.

In the second district, also out of three to be seated by PDM, two are prominent Sinarchists: Magdaleno Yanez Hernandez and Antonio Monsivais Ramirez. Carlos Berrera Auld is directly responsible for his party's ranking as the third political force in San Luis Potosi.



In the third district, the leaders from Yucatan and Tamaulipas, Juan de Dios Colli Mas and Homero Diaz Mota, who are not Sinarchists in origin, were installed. Only two will join representing this zone.

Another Sinarchist heads the three from the fourth zone: Roberto Calderon Tinoco. Jaime Haro Rodriguez is a member of the National Directorate, and the third one is Gustavo J. Valenzuela. In the first district, Lorenzo Serrano, another prominent UNS leader, is accompanied by PDM's official spokesman, Jesus Zamora Flores. These will make up the 12 PDM deputies in the next legislature.

#### Greater Balance in the PST Legislative Group

The PST legislative group shows greater balance than the present one: To be combined with its most experienced leaders, and party founders, such as Jorge Amador Amador and Graco Ramirez are new "cadres," outstanding in the work of mass organizations, such as the women's leader, Beatriz Gallardo, or the young leader of the teachers' group, Miguel Alonso Raya. Furthermore, its group of 12 legislators will also be joined by two old politicians, prominent in their respective fronts: Cesar del Angel and Maximo de Leon Garra, coming from the ranks of the old Communist Party.

Based on districts, those seated are: two in the first, Beatriz Gallardo and Genaro Jose Pineiro Lopez; with three joining in the second: Miguel Alonso Raya, Angel Aguirre Romero and Magdalena Garcia Rosa; in the third, it is taken for granted that the three positions will be given to Cesar Augusto del Angel, Maximo de Leon Garza and Jose Felipe Flores; and in the fourth, two seats are noted: Jorge Amador Amador, leader of the National Union of Agricultural Workers; and Maria Soledad del Rio.

Prominent in the fifth district are the two who will join the Chamber of Deputies: Graco Ramirez Garrido Abreu, secretary general, former legislator and founder of PST; and Jesus Heriberto Noriega Cantu, a leading representative from Guerrero and participant in the activities led by Lucio Cabanas Barrientos during the early 1970's.

#### PPS: Proven Militants

Of the 11 legislators to be seated by the Popular Socialist Party, as its spokesman, Francisco Ortiz Mendoca, explained, all have met two conditions which were set in order to be able to occupy those seats: they must have 15 years' membership in the party and hold an outstanding post in the national or state leadership. In addition, the group will be reinforced by the experience of five former federal deputies.

The two from the first zone are the most important: Cuauhtemoc Amezcua Dromundo and Manuel Fernandez Flores, former head of the Mexican Electricians Union.

In the second district, although without the fame of the foregoing, the two presumed deputies are the top-ranking officials of their party in Coahuila and

Chihuahua, respectively: Hector Morquecho has served for 17 years on the PPS central committee, and Hildebrando Gaytan Marquez, has spent 22 years on the same level of leadership.

Ezequiel Rodriguez Arcos, with 30 years in PPS and a federal deputy three times, heads the list of three possible legislators in the third zone. The other two are Vicente Calvo Sanchez, with 22 years in that party, who is head of it in Veracruz, where his party ranked fourth in the vote, and Adner Perez de la Cruz, with over 20 years' seniority, and state leader in Tabasco.

In the fourth district, PPS will gain only the seat of Victor Manuel Jimenez, who is head of the teachers' group on Michoacan. Prominent in the fifth district will be the presence of the national leader, Francisco Hernandez Juarez, with the same name as the leader of the telephone workers; and of Gabriela Guerrero Oliveros, with 17 years' membership, a member of the central committee and direct adviser of Francisco Ortiz Mendoza. The third is Martin Tavira, also a former federal deputy, with 25 years' membership in his party.

#### PARM: Suspense

Prominent in the Authentic Party of the Mexican Revolution which, according to the unofficial estimate, will gain nine seats when it rejoins the Chamber of Deputies, are its president, Carlos Enrique Cantu Rosas (who will join as one of the two majority deputies) and Jorge Cardenas Gonzalez, a veteran from Tamaulipas, and brother of the also controversial state governor, Enrique, with the same surnames. The rest are a cause for suspense.

In the first district, Enrique Bermudez Rivera was seated; in the second, Jorge Masso Masso and Gregorio Macias; in the third, headed by Cantu Rosas, one position is available for three to gain: Nabor Camacho Nava, Jorge Cardenas Gonzalez and Juan Manuel Lucia.

One is also assigned for the fourth district: Hector M. Calderon; and in the fifth, two: Jose Luis Diaz and Eduardo Acosta Varela.

#### Seasoned PRT Group

In the case of the Revolutionary Workers Party, if the six seats estimated by its leaders are confirmed, perhaps the most seasoned group in the entire Chamber: Rosario Ibarra de Piedra, head of the Committee on Persons Missing, Convicted and Persecuted for Political Reasons, and Ricardo Pascoe Pierce are the two to be installed in the first district. The latter is one of the three main leaders and founders of the only Trotskyite party in Mexico.

In the second district, they seated Ruben Aguilar Jimenez, long-standing leader of working-class organizations and colonias [urban communities], comprising the Popular Defense Committee of Chihuahua. In the third district, the only one joining is the also seasoned peasant leader, Rosalia Pereda.

And in the fifth zone, two of those directly responsible for PRT's organic growth during its entire existence, Pedro Jose Penaloza and Efrain Jesus Calvo Zarco, will be legislators.

PMT: Innovative and Documented Group

Of all the congressional groups that will be acting in the 53d Legislature, the Mexican Workers Party is probably the most compact and the most experienced in documenting and harping on its differences with the regimes, as proven by its national leader, Heberto Castillo Martinez. He will be accompanied by an experienced, grandiloquent polemicist who was in the previous legislature with the Lefist Coalition, Alejandro Gazcon Mercado.

Based upon its own calculations, six deputies' seats will be procured: three in the first district, one in the third and two in the fifth. In the order of their appearance they are: Heberto Castillo, Miguel Eduardo Valle Espinosa, legendary former leader of the movement of 1968; Oswaldo Harris Munoz, Alejandro Gazcon Mercado, head of the Socialist Revolutionary Party which emerged from the split in PSUM; Jose Luis Diaz Moll, of the leadership of the Revolutionary People's Movement allied with PMT; and Eduardo Acosta Villeda.

In most instances, those who will be deputies from the minority parties will show a contrast in careers, qualifications and well defined positions with the members of the congressional majority who, despite having 392 members, can hardly combine all the political clout that the records of their opponents will carry. During the second week of August, the Electoral College will have the final decision.

2909

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MEXICO

GROUPS CONTEND WITH CNC OVER LAND IN SOUTHERN COUNTRYSIDE

CIOAC Demands

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 4 Jun 85 p 4

[Article by Fredy Lopez Arevalo]

[Text] The secretary general of the CIOAC [Independent Central Organization of Agricultural Workers and Peasants], Luis Lopez Vazquez, has reported that the organization will call on the Agrarian Delegation to increase the number of surveyors in the Agrarian Reorganization Program so that the appraisals of the lands currently in its possession can be completed as soon as possible.

Lopez Vazquez said that peasant farmers affiliated with the CIOAC are currently occupying 109 large estates in various municipalities around the state whose owners are unable to farm them.

In addition, the leader of the CIOAC accused peasant farmers from the CNC [National Peasant Confederation] of provoking confrontations by trying to retake the lands that the CIOAC affiliates control.

He indicated that they are being led by the CNC's Oscar Ochoa Zepeda, who recently incited them to invade the estate called "Nueva Rosita" in the municipality of Trinitaria, where there are 20 Guatemalan families. Guadalupe Namboa Montero from the CNC is the surveyor who is marking property lines there.

Lopez Vazquez announced furthermore that in light of the Agrarian Reform's refusal to resolve problems in the countryside, his people would continue invading estates in Huitiupan, Villa las Rosas and Jiquipilas and that this coming 17 July they would march from various municipalities to the capital, where they will stage a sit-in outside the Government Palace.

Denunciations by OCEZ

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 5 Jun 85 p 6

[Article by Fredy Lopez Arevalo]

[Text] The Emiliano Zapata Peasant Organization (OCEZ) charged yesterday that Luis Garza Torres, the engineer who serves as the Agrarian Reform delegate, is strongly beholden to local bosses and people in power and,

therefore, refuses to honor the agreement with OCEZ to relocate the 49 families who belong to the CNC in Paraiso del Grijalva. It also charges that he does not acknowledge the legality of the OCEZ, arguing that the commissioner of public property has been in office for 4 years now.

OCEZ representative Jose Hidalgo said that the Agrarian Reform delegate has refused to give the town residents back the 3,500 hectares that were flooded by waters from the reservoir at the La Angostura hydroelectric power plant.

Hidalgo also asserted that the OCEZ has been asking the Agrarian Reform delegate in writing since 1980 to appoint representatives to attest to the election of its ejido authorities. On four occasions, however, democratic elections have been frustrated by systematic pressures involving peasants from the CNC.

Amplifying on his statements, the OCEZ representative said that the CNC members who murdered nine of his companions last 6 October at El Paraiso del Grijalva, under orders from Santiago Espinosa Hernandez, are seeking to reassume their town posts, but "the town residents don't want them because they're traitors and sellouts."

He also disclosed that Municipal Police and Public Security personnel visit the lands of Casa del Pueblo villagers every day, bullying them and threatening to kill them if they keep on working their lands.

He then reaffirmed that his organization is unhappy about delegate Garza Torres's commitments to local bosses. He went on to indicate that judicial authorities have not respected the physical integrity of his companions. For example, although Jose Maria Fernandez was released this past 15 February, another arrest warrant has been issued against him, and he is being constantly pursued by Interior Ministry agents.

#### Accusations Against PSUM Leaders

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 12 Jun 85 p 2

[Text] Cintalapa--Ejido authorities from this municipality and from Jiquipilas have charged that Alejandro Caballero Zarate and Pedro Perez, local leaders of the PSUM [Unified Socialist Party of Mexico], have for some time now been causing unrest among local peasant farmers by pitting members of their party against CNC affiliates.

They are also behind the land takeovers in this municipality, Jiquipilas and Arriaga and have warned that they will continue invading estates until they are given land to farm, inasmuch as the state government has not given a satisfactory response to their requests for land.

The PSUM people have their eyes on the El Haba, Monterrey Uno and Monterrey Dos estates in the municipality of Jiquipilas and claim that no one can stop them from taking them over, not even authorities from the public prosecutor's office.

In view of this, the ejido authorities from the municipalities of Jiquipilas, Cintalapa and Arriaga are asking government officials to step in to prevent the PSUM from triggering a confrontation among peasant farmers.

#### Additional Charges by OCEZ

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 12 Jun 85 p 7

[Article by Fredy Lopez Arevalo]

[Text] The Emiliano Zapata Peasant Organization (OCEZ), an affiliate of the CNPA [National Coordinating Board for the Ayala Plan], charged yesterday that the tzotzil village of Venustiano Carranza has been the victim of constant aggression from local bosses, the state leader of the CNC and the state government itself. They are trying at all costs to end the land tenure struggle that the Casa del Pueblo villagers have undertaken and are resorting to arrest and murder against the peasant farmers who dare to fight for their interests.

Pedro Gomez Hernandez, an OCEZ spokesman, indicated that the state government has shown itself incapable of resolving farm problems and with its antipeasant policy has caused discontent among the Indian population.

He complained that OCEZ leaders Victorico Hernandez Martinez and Agustin de la Torre Hernandez have been in Cerro Hueco Prison for 4 years now and were sentenced to 12-year terms on trumped up charges upheld by false witnesses backed by the state prosecutor's office.

He also charged that last 6 October nine of his companions were killed and another seven were wounded in Venustiano Carranza, many of them children. In spite of the charges lodged with the prosecutor's office, the 12 CNC "thugs" ["coras"] who had been jailed were released, thus literally getting away with murder. Furthermore, they are allowed to carry firearms and, as if that were not enough, are protected by the Public Security Police.

He asserted that the state government and OCEZ had signed agreements under which Governor Castellanos Dominguez pledged to transfer the San Gregorio irrigation district to CNC peasant farmers and to hand over their parcels of land to the Casa del Pueblo villagers. Now, however, the governor refuses to acknowledge the agreement and, furthermore, is trying to strip the real peasant farmers of their lands.

Interviewed outside the Government Palace, where he was accompanied by more than a score of villagers, Gomez Hernandez accused public prosecutor

Luciano Rosales Tirado of refusing to accept the charges that his group filed in connection with the murder of a colleague in the village of Lindavista (Ostuacan municipality) last May and the injuries that other companions sustained last December at the hands of Public Security Police.

This, he said, is how the state government administers justice to the people, by protecting the landowners and the murderers of peasant farmers, by justifying aggression and by jailing OCEZ leaders on false charges from large estate owners.

#### CIOAC Land Invasion

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 14 Jun 85 p 6

[Text] Teopisca--Egged on by CIOAC leader Luis Lopez Vazquez and ejido commissioner Reynaldo Sanchez Bautista, peasant farmers from this organization invaded three plots of land early Saturday morning. The land covers a total of 24 hectares and is owned by peasants poorer than the invaders.

Trinidad Herrera, Cristobal Castro and Mariano Gonzalez, the owners of the seized lands, reported that they were awakened by the invaders' shouts of "get off these lands; they're ours," even though the day before they had told them that they owned the land and had to deeds to prove it.

The intruders threatened to tie the three families up if they refused to leave their huts. So, with only their children on their backs (they were not allowed to take their belongings), the women left and asked neighbors to put them up until government officials intervene.

They indicated that they reported the land seizure and the mistreatment by CIOAC peasants to the authorities and demanded that they be evicted because they cannot stay for long in their neighbors' homes.

#### Testimony Before Rights Commission

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 16 Jun 85 p 5

[Article by Fredy Lopez Arevalo]

[Text] Venustiano Carranza--At a special assembly at the Casa del Pueblo, peasant farmers belonging to the OCEZ testified before the Commission of the Mexican Human Rights League concerning the aggressions of which they have been the victims at the hands of local bosses and state authorities seeking to strip them of their lands.

Pedro Gomez Hernandez told the reporter accompanying the French [sic] Commission that Public Security Police and the army often violate human rights by jailing and murdering the tzotzil peasant farmers who have headed their people's land tenure struggle.

Each of the peasant farmers who survived the massacre perpetrated by the CNC thugs last 6 October showed the commission the scars of bullet and machete wounds. The commission is chaired by Victorio de la Fuente Estupinan.

They also charged that the Federal Electricity Commission refuses to compensate the peasant farmers whose lands were flooded because of the construction of the La Angostura power plant.

The Human Rights Commission will submit the testimony of the peasant farmers to the United Nations International Court.

#### Attack by CNC Peasants

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 16 Jun 85 pp 1, 5

[Article by Fredy Lopez Arevalo]

[Text] Seven peasant farmers died and more than 15 were wounded, 3 of them seriously, as a result of an attack yesterday afternoon by CNC members at the Llano Grande ejido in the municipality of Bochil. All of the dead and wounded are CIOAC affiliates.

Luis Lopez Vazquez, the state leader of the CIOAC, reported that yesterday at 3 pm around 100 CNC peasant farmers carrying high-caliber weapons burst into the ejido as an assembly there was working out the final organizational details of the caravan march to the state capital that the CIOAC has announced for the 20th of this month.

Lopez Vazquez said that the CNC people burst into the hall where the community usually holds its meetings and fired their weapons without any regard for the women and children, some of whom were wounded.

Separately, yesterday morning about 150 Public Security Police agents surrounded the municipal capital, Bochil, to intimidate the peasant farmers into not holding their demonstration, which is their method of demanding answers to their farm problems.

The CNC press office issued a bulletin accusing PSUM peasant farmers, led by Sebastian Perez Nunez, of carrying out the assault "that regrettably left five people dead and several others wounded, according to preliminary reports."

The bulletin also says that "eyewitnesses reported that PSUM members, commanded by Sebastian Perez Nunez, seized lands, burnt down several houses and finally made off with farm equipment."



# PSUM Denunciation of CNC

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 16 Jun 85 pp 1, 5

[Article by Abenamar Moreno S.]

[Text] Desperate in the face of gains by the independent peasant organizations, the CNC is resorting to vandalism and terrorism. For example, on the 14th of this month at 3 pm, more than 100 armed peasant farmers invaded the Llano Grande ejido in the municipality of Bochil and shot at members of the CIOAC, killing 1 and wounding 5.

The secretary general of the state committee of the PSUM, Manuel Lemus, made this comment and specifically blamed the CNC and its regional leaders Lucas Lopez Perez and Jose Aguilar Ramirez. He added that the PSUM would demand that the state government punish those responsible, pay for the damages incurred and put a stop to the repression that the CNC has unleashed in the state.

He stated that the two regional leaders organized around 100 peasant farmers from the Tierra Colorada ejido, the Nijo, Ajilbo and San Antonio la Pitala districts and the San Pedro cooperative, to attack the Llano Grande ejido, where Pedro Hernandez Hernandez was killed.

In denouncing the attack and again blaming the CNC for the incidents in which peasant farmer blood has been shed, he indicated that the state government has failed to solve farm problems, charging that the agrarian reorganization program is a political ploy to help strengthen the CNC while the other peasant farmer organizations are left out of its benefits.

## Attack by CIOAC Described

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 16 Jun 85 pp 1, 5

[Article by Garcia Chanona]

[Text] State prosecutor Luciano Rosales Tirado said that an investigation is under way into the incident on the afternoon of the day before yesterday at the Llano Grande ejido in the municipality of Bochil during which a CNC member was killed and five CIOAC members were wounded, adding that the guilty parties would be brought to justice.

Rosales Tirado stated that his office is avoiding speculation and attempting to ascertain the facts of the case. He went on to say that on Friday afternoon at the ejido in question, which CIOAC members had taken over, CNC peasant farmers were ambushed as they were returning from their work on the San Agustin estate, which they had occupied.

CNC member Pedro Hernandez Hernandez was slain with a machete, and Adolfo Nunez, Agustin Nunez, Manuel Diaz Hernandez Hernandez and Jose Diaz Munoz, who belong to the CIOAC, received bullet wounds.

The prosecutor said that when his office learned of the incident, it ordered the Public Ministry agent to undertake the appropriate formalities and begin an investigation.

It was determined, he said, that the assailants attempted to rob the CNC members of their work tools, thus triggering the fight that left the aforementioned toll. He did not rule out the possibility that more people were wounded, adding that the injured were treated at the National Indian Institute and then transferred to this city, where they are receiving medical attention.

When asked about the CIOAC and CNC accounts of more people being killed, the prosecutor repeated that what he had outlined was the official account, which was based on the investigations that his office had conducted.

He denied that Public Security Police personnel have cordoned off the area. Their function is to maintain law and order and to protect the citizenry. The platoon quartered in the municipal capital has been there for some time.

In conclusion, after stating that the prosecutor's office is not interfering in the Agrarian Reorganization Program, Rosales Tirado denounced the peasant farmer leaders who are unscrupulously provoking confrontations among their people. Criminal action will be brought in such cases, he said.

8743

CSO: 3248/478

MEXICO

VERACRUZ CLERIC DESCRIBES SECTS' ANTINATIONAL EFFECTS

Mexico City EXCELSIOR in Spanish 6 Jul 85 STATES section p 2

[Article by Pedro M. Estrada Vega]

[Text] Tuxpan, Ver., 5 July--Today, the bishop of Tuxpan, Msgr Mario B. Gasperin, cautioned that the situation in La Huasteca could become "highly explosive" if the authorities do not immediately come to the aid of a population that is "quite neglected despite its oil wealth."

He added that, the worst thing is that United States pseudo-religious sects are entrenched there, which are nothing but groups of fanatics who take advantage of the depressed material conditions under which the Indians are living to enter, distribute money and hire "pastors" at good salaries.

Gasperin claims: "The presence of the American sects in our country is linked with their government's strategic interests in Latin America."

They study the native languages and customs, and the geographical conditions, all for the purpose of destroying nationalism "and attacking the unity of our people."

"In those very remote areas, the children receive gifts of T-shirts with the motto 'U.S. Army,' or with names in English."

This is the most neglected area in the state of Veracruz, with an obvious difference in social classes, wages which do not exceed 400 pesos a day, "and lacking a middle class that might sufficiently stifle the social conflicts."

Gasperin asserted: "Not only the poverty, but the people's ignorance also facilitates the penetration by the groups from the United States in the under-privileged areas of the country."

In the Chicontepec region there have been severe conflicts between the American "evangelizers" and the Indian communities. "How can United States station wagons drive around the mountains without number plates?" asked the prelate.

In the bishop's opinion, "the American evangelism is here to undermine the Catholic-mestizo integration of these people." And he adds:

"Throughout our history, what has made us strong is nationalism linked with the Catholic faith. Now that the nation's symbols are wandering, we may well ask ourselves: 'Isn't the bell of tragedy sounded by a parish priest a symbol of the new Mexico?'"

The priest, who graduated in Rome during the 1960's, claimed: "The Catholic Church is responding to the challenge represented by the evangelizing sects. Since the holding of the Vatican II Council, there has been a kind of internal revolution among the clergy.

"Who would go to Mass now if it were still in Latin? I don't think anyone would."

Gasperin remarked that, after all, "the Church is also becoming up to date, as a cultural resource of Latin America."

2909

CSO: 3248/466

MEXICO

NORTHERN BISHOP URGES PEACEFUL INSISTENCE ON CIVIC RIGHTS

Mexico City DOCUMENTACION E INFORMACION CATOLICA in Spanish 1 Aug 85 p 552

[Text] Editor's Note: Msgr Luis Reynoso Cervantes, bishop of Ciudad Obregon, Sonora, sent the members of his diocese a message dated 13 July 1985, entitled "Pastoral Exhortation." Despite its brevity, this reveals the importance of the document, the complete text of which we are releasing.

Pastoral Exhortation on the Occasion of the Elections of 7 July 1985

Dearly beloved faithful of the Diocese of Ciudad Obregon:

1. All of Mexico is convinced, and our authorities should be also, that the only course of action for surmounting our crisis is for true democracy to exist in our nation. Only in this way will there be actual progress in all respects. In the authentic political contest, the best individuals will emerge to govern the citizenry. Mexico stands above all partisan interests. The good of the society is the supreme law of any political organization.
2. We have just held elections in our country. The authorities have promised that these elections would be honest. Unfortunately, there have been reports that this has not been the case, at least in certain areas, such as Sonora. I think that the authorities should keep their word; otherwise, they will suffer increasingly serious deterioration.
3. There is dissatisfaction in many locations; for this very reason, a serious, impartial and reliable investigation should be conducted that will put things in place, otherwise, the abstentions will increase; because, when people feel that they have been deceived, they will no longer meet their civic obligations in the future. All the parties which consider themselves injured should assert their rights, through the expedient of reason, not force. The use of physical force or the triggering of violence is not the policy of those who possess the truth. We must never forget what happened in the Falklands. The lives of our citizens must by no means be endangered, because human life is the supreme value.
4. As bishop, as pastor of this flock which God has entrusted to me, I ask and beg all of you to act prompted by the virtue of Christian fortitude, acting

with free will, and not allowing yourselves to be forced by uncurbed emotions and feelings. We must not forget that only the truth will make us free men. And we shall act with that interior freedom when we fulfill our obligations, abandoning emotions, reprisals and threats.

May Jesus, Prince of Peace, give all of you serenity and fortitude. Your friend and servant blesses you from the heart.

Ciudad Obregon of the Sacret Heart of Jesus, 13 July 1985.

Luis Reynoso Cervantes,  
Bishop of Ciudad Obregon, Sonora.

2909

CSO: 3248/486

MEXICO

## MEASURES AIM TO STEM ILLEGAL INFLUX OF CENTRAL AMERICANS

Mexico City EXCELSIOR in Spanish 25 Jul 85 STATES section pp 3, 4

[Text] Chetumal, Quintana Roo, 24 July--In view of the critical situation prevailing in Central America, and for the purpose of preventing the entry of illegal immigrants into the country, the Interior Secretariat started a program of surveillance, precaution and coordination with the governments on the southern border, according to the assistant immigration agent in Quintana Roo, Daniel R. Sanchez Araujo.

He said that the situation that exists in countries such as El Salvador, Honduras, Guatemala and Belize has caused a flow of foreigners without documentation into the Mexican outlying areas, in search of better living and working conditions.

He added that, in order to heighten the protection on the national level, the secretariat decided, at the recommendation of the Quintana Roo government, to relocate the immigration posts so as to optimize the inspection and surveillance, as well as reducing operational costs. The persons detailed along the shores of the Hondo were transferred to Ucum and Bacalar, points of intersection on the highway extending to Escarcega, Campeche, and to Cancun, in the northern part of the state.

The posts which were located along the shores of the Hondo-Caobas, Alvaro Obregon and others were concentrated on these sites; in addition, an auxiliary post will be set up in Bacalar.

Sanchez Araujo claimed that the illegal immigrants come mainly from Belize and El Salvador, countries whose economic and military situation is such that it fosters the exodus of part of their populations.

Furthermore, in Xcalak, at the entrance to the bay and where a contingent of marines is stationed, the Interior Secretariat will set up a surveillance corps. In Majajual, a transit point, leading from this area to the rest of the state, there will be another immigration post which will prevent the passage of undocumented foreigners who are often carried on boats of small draft.

Daniel R. Sanchez said the the corps of agents would be increased to 42, with the arrival of 11 members coming from various parts of the country; adding

that there is a possibility of an increase in the number of illegals, which up until now has brought an average of 50 per month.

He remarked that the lack of administrative personnel is one of the obstacles delaying the processing of documentation, both of natives and of foreigners.

He concluded by saying that the Guatemalan refugees have been properly documented and accounted for, so as to regularize their migrant status and so that they may engage in various types of work in agriculture, in Quintana Roo.

2909

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MEXICO

## ECONOMIC MEASURES DRAW MIXED PRIVATE SECTOR REACTIONS

### Legal Reserve Decision Criticized

Mexico City EXCELSIOR in Spanish 23 Jul 85 STATES section p 1

[Text] The increase in the legal reserve requirement for banks to 90 percent will have an enormous impact on production because credit will become extremely tight, business leaders in Chihuahua, Nuevo Leon and Coahuila have indicated.

In Guadalajara, the presidents of CONCANACO [Confederation of National Chambers of Commerce], CONCAMIN [Confederation of Industrial Chambers] and CANACINTRA [National Association of the Manufacturing Industry], Nicolas Madahuar, Silvestre Fernandez and Carlos Mireles, stated that the increase in the legal reserve requirement will merely enable the government to preserve its huge bureaucracy and to meet its internal budgetary commitments.

The move, they added, will tighten credit to manufacturing companies and unquestionably lead to industry shutdowns and a worse cash crunch.

Madahuar indicated that sales have plummeted and, therefore, tighter credit would now cause enormous problems. He acknowledged, however, that the higher legal reserve requirement would take money out of circulation and, therefore, cut the rate of inflation.

For his part, the president of CANACINTRA, Carlos Mireles, said that there is a cash crunch in more than 100,000 companies; they urgently need loans, which the banks will not be able to grant them now because of the higher reserve requirement.

Silvestre Fernandez, the head of CONCAMIN, indicated that companies no longer generate the funds they need to survive and, therefore, require financial support at the moment.

Without loans, he said, industrialists will most likely be unable to overcome their internal problems and bring foreign exchange into the country through exports.

In addition, the director of the Business Center of Chihuahua, Guillermo Villalobos, stated that the increase in the legal reserve requirement

would enable the Federal Government to utilize larger amounts of bank funds now that the government's revenues have fallen because of the drop in the price of oil.

He indicated that the Federal Government's debts to the banks would swell considerably as a result, cautioning that if one-third of the country's savers tried to withdraw their money, they would be unable to do so because the government is using it.

"Unfortunately," he underscored, "the government has used much of this money to pay for a gigantic bureaucracy and for unproductive activities."

In Monterrey, the director of economic affairs of the Chamber of the Manufacturing Industry, Enrique Diaz de la Garza, stated that industrialists in Nuevo Leon are having financing problems that the higher reserve requirement would now aggravate.

This move "will mean that most bank deposits will wind up financing government spending, which is not productive of course, while the borrowing demands of industrialists are disregarded."

In Saltillo, the president of the Employers Center, Pedro Aguirre Castro, said that the increase in the legal reserve requirement would further harm the national economy instead of reining in excessive government spending.

The problem will grow worse, he cautioned, when bank loans are requested for the creation of companies that can provide jobs.

He stated that with the rise in the reserve requirement many companies would have to shut down and, consequently, unemployment would increase; furthermore, industries will have to try and sell for cash to remain liquid.

In Hermosillo, the delegate of the National Association of Mexican Importers and Exporters, Hugo Pennock Rico, said that it was a bad decision to boost the legal reserve requirement and that the Federal Government should not resort to funds that will damage the country in order to defray its expenses.

He stated that when business credit is tightened, production costs rise, and the ones who are hurt are consumers.

#### Qualified Responses

Mexico City EXCELSIOR in Spanish 24 Jul 85 pp 1-A, 15-A

[Article by Jaime Contreras and Roberto Villarreal]

[Text] In the wake of the president's announcement of a five-point economic housecleaning program, the private sector stated yesterday, with some qualifications, that although it is still skeptical, "the government

is trying to take a realistic approach again," adding that high- and intermediate-level officials must now comply with the administration's orders. "Specifically, the new budget cuts should be in current spending, not investment."

The representatives of the Confederation of Industrial Chambers, Employers Confederation of the Mexican Republic (COPARMEX), National Chambers of Commerce, Associations of Importers and Exporters, Distributors of Household Appliances, and Industrialists of Mexico State, agreed in this assessment and said that "strict discipline had to be maintained in several basic areas: growth of the money supply; curbing new spending; and cutbacks in the issuance of Treasury Certificates.

Questioned separately, they also all denied that private businessmen who are "serious and have a sense of responsibility" to Mexico are dealing in illegal import permits. They indicated that the tariff policy that the chief executive announced in Guadalajara "is part of a strategy that we had already foreseen."

Alfredo Sandoval Gonzalez, the president of COPARMEX, declared that business is still, in fact, skeptical, "because we have seen that the people have been let down in the political arena, but even so we agree with these basic measures for full economic recovery."

In this regard, Sandoval said, "COPARMEX feels that national private enterprise should support the radical structural reforms that will really help to cut the budget deficit and thus prevent a more serious crisis."

The employers confederation leader stressed that even though the "manipulation" of the elections further undermined the confidence of the citizenry, industrialists and businessmen are in agreement with the steps announced by the chief executive, who made an appeal for "investment, savings and productivity."

The COPARMEX president was also pleased that Dr la Madrid ignored "the by now obvious pressures" of certain internal factions that want to the government to tackle the crisis "with short-term populist measures that are, however, clearly harmful, as our recent history has taught us."

#### Intensity and Vigor

Silvestre Fernandez Barajas called for "intensity and vigor" in pursuing the steps that the president announced and referred specifically to a number of them. Cutting spending is beneficial, he said, if it serves the country's need for organization and economic growth.

With regard to replacing prior import permits, the president of CONCAMIN said that a tariff system should not mean a quick opening of our borders; the door must be opened gradually and selectively. He then noted:

"Our presence overseas must be tied to a comprehensive development strategy, not to hardline stances that only cause us to lower the prices of our resources."

Discussing the flexible, realistic exchange rate, another of the announced measures, Fernandez Barajas indicated that such a strategy must guarantee the industrial sector "appropriate and timely access to foreign exchange for purchasing the items it needs."

He also talked about tax collection, saying that steps to enhance it "will boost the government's receipts to the same extent as lightening the tax burden on industry will." He also called for selective, cost-competitive loans.

#### Keeping Tabs on Policy Enforcement

Ramon Burillo, the president of CONCANACO's foreign trade section, stated that there will be economic recovery if the chief executive's orders are carried out.

This is so, he continued, even though the private sector has its fears "because all of the programs, projects and ideas for ending the crisis usually fall apart when the time comes to implement them. Hence, we must keep tabs on the people who enforce the president's orders so that they do not become bogged down among intermediate-level or even upper-level officials."

With regard to the measures to prevent corruption in certain areas (import permits, for example), Burillo commented that "they are not as drastic as we were expecting." They are, however, "timely and complementary."

He called for the elimination of state-run enterprises and even some government agencies "whose inefficiency is a proven fact. New approaches ought to be taken in this regard, "but with greater vigor," he stated.

Burillo also called for a quicker slide in the controlled dollar exchange rate because "the spread between the two rates (more than 100 pesos) gives overseas sellers little reason for confidence and discourages activity."

Arturo Zavala, leader of the National Association of Mexican Importers and Exporters, applauded the measures announced by the administration but cautioned that if it wants to expand exports, "it should allow business to use as it sees fit the dollars it has earned overseas, not force it onto the controlled market."

Lastly, the president of industrialists in the State of Mexico, Rafael Carmona y Pardo, emphasized that if we want to enter foreign markets, "we must stop shilly-shallying. We must promote exports by eliminating all of the stumbling blocks, such as permits, corruption, and bureaucratic red tape, and have a realistic currency that encourages, not discourages them."

### Negative Views from Durango

Mexico City EXCELSIOR in Spanish 24 Jul 85 p 14-A

[Text] In the view of private enterprise in Durango, President De la Madrid's statements in Guadalajara about cutting current spending "are confusing and alarming," said Roberto Reyes Castaneda, the manager of the Durango Chamber of Commerce. The representative of the Business Center of Sinaloa, Rafael Cabrereros Bringas, indicated, in contrast, that the administration's announcement is the first and most important step towards the country's economic recovery.

"The Mexican people are fed up and can no longer put up with surprises instead of economic solutions, like the ones that might be announced this coming 1 September," Reyes Castaneda stated.

He added that "the 15-day programs, all of them radical, sweeping and painful, are intolerable at this point. But now there is fear about what structural reforms might mean for the country."

He indicated that to solve the republic's economic problems what is needed is a democratic study, not an imposed, much less a surprise bureaucratic decision. A pause is needed to analyze the situation and in particular the inevitable freezing of wages and prices.

"We can no longer remain subject to the dictates of a few. Private enterprise must become involved and jointly responsible," he concluded.

Cabreros Bringas stated that one of the causes of the current economic crisis has come down from previous governments: the enormous and expensive bureaucracy at all levels of government, municipal, state and federal alike.

Consequently, he said, reducing government spending is urgently necessary for getting inflation under control. With regard to exchange rates, he said that a realistic, flexible system is beneficial, inasmuch as the nation must abandon wishful thinking and follow realistic, objective criteria in all economic and financial matters.

He felt that it was difficult to assess the efficacy of another measure that the chief executive announced, the replacement of import permits with a tariff system. "We have to wait for the details to evaluate its impact on the production sector and the republic's economic situation."

8743

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MEXICO

INDUSTRY LEADERS CALL FOR CLEAR GOVERNMENT FINANCIAL POLICY

Mexico City EXCELSIOR in Spanish 22 Jul 85 pp 1-A, 18-A

[Article by Jaime Contreras Salcedo]

[Text] The nation's industrial establishment yesterday asked that the federal government adopt clear decisions, based on well-defined directions and specific projects to determine exactly what the country's short-term and medium-term financial policy will be. Because of the latest "irregularities" which have arisen in this area, the production plant as a whole has been facing "new and in other cases, even bigger problems than those we face now."

These were the terms used by Carlos Mireles Garcia and Ignacio Barragan de Palacio, respectively, president of CANACINTRA (National Association of the Manufacturing Industry) and vice president of CONCAMIN (Confederation of Industrial Chambers).

Interviewed separately, both business representatives stated that the second meeting of Nationalized Banking which will be started this morning by President De la Madrid in Guadalajara, is an excellent forum so that "we may learn for sure what the rules of the game will be on topics vital to industry, such as financing, legal reserve, parity, budget cuts or no cuts, taxes, and foreign debt renegotiation."

Mireles Garcia said that, according to statistics supplied by CANACINTRA, while credit requirements for small and medium industry have grown in a diametrically opposed fashion, the performance of banking institutions in this sense has declined more and more and "only some of them helped us, but above all in the provinces, the banks turn out to be more of a hindrance rather than a help in increasing productivity."

Approximately 80 percent of the processing industry establishments--about 65,000 throughout the country--need loans above all "because of the heavy increase in the cost of raw materials and equipment; and there is also an urgent need for greater liquidity, Mireles Garcia pointed out.

The CANACINTRA president pointed out that, in spite of the fact that the availability of credit lines "is at an acceptable level," the financial

institutions "did not operate with sufficient agility" and proof of this is found in the fact almost all manufacturers who have this urgent need have been applying for funds but that they were given "less than half."

On this point likewise, the CONCAMIN vice president noted specifically that "We need a strong impetus from the government because, without an adequate flow of funds, production levels may well plummet and the same is true of our possible penetration of international markets."

Barragan de Palacio noted that perhaps financing is the "most sensitive" point which has quick repercussions on industrial units at this time. Ignacio Barragan stated that the need for funds is not only a priority for industry but also for the entire system as such. It is therefore necessary to study various ways along these lines and one of them "has to do with the presumable adjustment to public spending"--in other words, this involves not so much revenues but the reduction in spending. In CONCAMIN "We considered that, if the federal government decides to cut its budget even more, it should do so in terms of current spending but never in terms of investments."

The CANACINTRA president expressed his concern because past budget cuts resulted in a percentage-wise drop in the share of small and medium industry as suppliers of the public sector which is why he also recommended that funds earmarked for the procurement of goods not be reduced but that this action instead be applied "to that type of expenditure which is not productive." He explained:

"According to our last meeting with the section presidents in Cocoyoc several days ago, we found that we need an urgent cut in the type of expenditure that is not productive. To put it more simply, spending that originates from the unproductive bureaucracy. If we want to boost production, including the output within the system, we must reduce the number of public employees who did not do anybody any good. This is proved by the numbers which the government itself has to handle."

Mireles Garcia said that, if a new adjustment is made in public spending, we would have to look at the allocation of funds which we will have left. "These are a part of specific projects which we have mentioned," he recalled.

Barragan de Palacio pointed out that the final version regarding the other financial policy points, such as parity between the peso and the dollar as well as legal reserves, which we were initially told would be raised, although the answer after that was always no, will have to be discussed, analyzed, and clarified "to prevent any uncertainty in Mexican industry."

#### Reduced Taxes

The CONCAMIN vice president noted the need for the work of the second meeting of Nationalized Banking to take up as a first priority the tax situation which Mexicans in general and manufacturers in particular are struggling with.

The two interview subjects pointed out that, due to fiscal strategy, most of the small and medium production establishment is operating at the very limits of the law. "We have a heavy tax burden, there are lots of procedures to go through and there is too much paper work. Very few of us comply with our obligations and the evaders are much more in number."

"Here is where we need a policy that will be much more in accord with the country's necessities today. We cannot live in a situation of unrealism," the CONCAMIN vice president emphasized, while Mireles Garcia agreed that the processing industry operators "roundly" oppose the idea of including the VAT in the final price of goods distributed to the consumer.

He explained that he holds this position "because, according to what Congress approved at the time, in passing this into law, we would be losing the tax awareness in the taxpayer since he would not know what he is really paying or where the funds received by the government really go."

Finally, the top industry leaders proved to be confident that the banking meeting "would open the way to the new renegotiation of liabilities which both the public and the private sectors are suffering from so much because in this way we would get a new breathing spell and we could channel more money toward the creation of jobs, wealth, and new possibilities for exporting manufactured goods."

5058

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MEXICO

# SIDENA EMERGES FROM TECHNICAL BANKRUPTCY, POSTS PROFIT

Mexico City EXCELSIOR in Spanish 14 Jul 85 p 4-A

[Text] Cancun, Quintana Roo, 13 July--The National Iron and Steel Company (SIDENA) has overcome the technical bankruptcy it faced 3 years ago and has straightened out its finances to the extent that it earned 1.109 billion pesos in profits in the first 6 months of 1985.

At the close of the 4th National Convention of SIDENA Tractor Concessionaires, Mario Barreiro (undersecretary of SEMIP [expansion unknown]) pointed out that this improvement "is no coincidence." He explained: "Until 3 years ago, SIDENA was a firm without a clear industrial purpose. Its productive activities inclined toward iron and steel, and tractor production, which had brought it to first place in the nation over the past 15 years, was sidelined."

Now, said Barreiro, SIDENA'S work has been reoriented to capitalize on its experience in tractor manufacture: "Despite adverse economic conditions, every effort was made to guarantee sufficient supplies of tractors to meet national demand without resorting to imports."

To cover the medium-power segment, the firm was instructed to obtain the best technology and, in relative terms, the lowest price. This target was actually exceeded with the SIDENA-Deere association, stated the SEMIP undersecretary for the parastate manufacturing industry.

All this, he added, has enabled us to wipe out the technical state of bankruptcy, make specific commitments to financial well-being, substantially improve inventory levels and the portfolio position, achieve a reasonable gross margin of 20 percent, and cut administrative costs from 9 percent of sales to 4 percent and financial costs from 53 to 24 percent.

In addition, employment has been brought up to the same level as in 1982, but under qualitatively different conditions and on a much sounder basis.

8926

CSO: 3248/476

MEXICO

# SOVIET HEAVY OILS REFINEMENT TECHNOLOGY UNDER STUDY

Mexico City EXCELSIOR in Spanish 2 Jul 85 pp 5-A, 36-A

[Article by Hernan Rodriguez Molina]

[Text] Moscow, 1 July--Dr Asdrubal Flores, deputy director for international relations at CONACYT [National Council for Science and Technology] went to the Soviet Union to increase relations between Mexico and the USSR concerning science and technology, to reduce the country's dependence on the West, and to get the benefit of Moscow's advances in various fields, such as burning heavy crude.

In the interview with EXCELSIOR, the researcher pointed that his presence in the USSR is in line with the concern for learning about that country's enormous scientific-technologic development and to look at some points where cooperation is possible.

"Mexican and Soviet technologies can supplement each other," he said, "and that would be a tremendous benefit to Mexico."

Invited by the Academy of Sciences of the Soviet Union, Flores emphasized that one of the points taken up in Moscow has to do with the study of burning heavy crude. "This is a big problem for Mexico because most of the Mexican crude is heavy."

He said that the Electrical Research Institute in Mexico is experimenting with burning crude but this is very complex and we feel that techniques have been discovered at the Moscow High-Temperature Institute to refine heavy crude which could be useful to Mexican experts.

Consideration was also given to the possibility of starting cooperation on instruments. Like all developing countries, Mexico is in a dependent situation in this area. We purchase instruments in the West and this results in problems of technological dependence. The USSR has somehow developed instruments that look interesting to us in Mexico, he said.

Dr Flores then noted that relations between Mexico and the Soviet Union as far as scientific and technological aspects are concerned have been growing slowly but that the possibility of developing them on a higher level has been discussed now.

For example, progress is currently being made in the area of geophysics, astronomy, and mathematics. But we Mexicans would like to extend this cooperation to more technical aspects without leaving the scientific aspects aside.

He finally said that cooperation is being studied in biotechnology and geophysics aimed at prospecting for earthquake phenomena and others.

5058

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MEXICO

PEMEX HEAD CITES RECOVERY OF OIL MARKETS THROUGH PRICE TIERS

Mexico City EXCLESIOR in Spanish 19 Jul 85 pp 4-A, 30-A

[Text] Sinaloa, 18 July--The director general of Mexican Petroleum (PEMEX), Mario Ramon Beteta, stated that the predicted \$16 billion in petroleum exports will be reduced by only 5 percent in 1985. This will be possible despite the drop in international crude prices, thanks to the recovery of markets with six different prices for Europe, Latin America and the Far East.

Beteta was interviewed by EXCELSIOR during a tour of the different PEMEX facilities at this port, after arriving from Tijuana. He stated that Mexico used to sell oil at a single price for all the countries of the world, but now, with the price tiers, it has been able to regain its markets and produce 1.5 million barrels a day. It will no longer adhere to the quota of 800,000 barrels per day, which it barely met last June.

He indicated that the implementation of six new price differentials complicates administrative tasks, but it provides the opportunity to open up new markets, which justifies the sacrifice. So far in 1985 there have already been two drops in prices for light "Istmo" and heavy "Maya" crude.

With regard to the increase in the price of gasoline, Beteta reported that he is not the one who makes the decision; there is a collegiate body headed by the secretary of finance that decides on such matters. He pointed out, however, that the purpose is to keep prices at realistic levels so that the federal government will not have to absorb the costs of gasolines through subsidies, which invariably show up in taxes.

In the same context, he indicated that the gasoline price hike has to do with the Mexican Government's revenues and outlays, so it is planned in advance.

Beteta stated that our country has 72 billion barrels of proven petroleum reserves, which will assure it of supplies for the next 72 years, based on current consumption of 1 million barrels per year. He went on to say that PEMEX is very interested in developing its oil facilities along the Pacific coast, since its actions to date have been oriented toward the Gulf of Mexico.

He added that it is necessary to develop petroleum reserves in the Pacific in order to strengthen supply systems and to bring down land and sea transportation costs.

He pointed out that it would be premature to declare that there is oil in this part of the Pacific, where prospecting has just begun. It takes 7 to 12 years to complete fieldwork, laboratory studies and research. Nonetheless, he said that there is reason to believe that oil may be found on the coast between San Luis Rio Colorado, Sonora, and Escuinapa, Sinaloa, and in northern Nayarit. He cautioned that he "could not guarantee anything right now," however.

With regard to the circumstances that have led to two budget adjustments at PEMEX and are now requiring a third round of spending cuts rather than reducing its operations, Beteta stressed that investments have been rescheduled to meet priority needs. Although he did not give any percentages, he said that because PEMEX spends more, it will have to cut back more in relation to other national institutions.

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MEXICO

BRIEFS

VOLKSWAGEN WAGE INCREASE AGREEMENT--Puebla, Puebla, 1 July--The strike in the Volkswagen compact car assembly plant was forestalled when the company granted a 60-percent wage hike to its 10,000 workers, said Jose Anselmo Ochoa, leader of the Independent Union of the Auto Industry. The workers had asked for a 90-percent hike on the basis of a study on worker needs. The strike was scheduled to start early today. The assembly plant continued its work normally after the agreement and the enterprise announced that it will thus be able within a few weeks to put its 1986 models on the market. Ochoa Delgado commented that, after several negotiating sessions between the union and the enterprise, it was agreed that there would be a direct 35.6 percent wage hike, plus 18 percent in emergency wages, which is why the overall hike comes to 60 percent due to the pyramidal structure of the wage scale [Excerpt] [Mexico City EXCELSIOR in Spanish 2 Jul 85 STATES section p 4] 5058

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NICARAGUA

GOVERNMENT CONTROL OF MASS MEDIA ANALYZED

Mexico City LE MONDE DIPLOMATIQUE in Spanish Jun 85 pp 26-29

[Commentary by Manuel Calderon]

[Text] There is no doubt that the problem of building popular hegemony is not a process that will culminate with the people gaining access to political power, that is, with the displacement of the old dominant sectors. On the contrary, the process of building popular hegemony begins precisely when the masses, led by a vanguard political or sometimes military organization, take power.

The process that leads to popular hegemony, however, should adapt to the political, economic and social conditions that are intrinsic to the societies in question. In this regard, the process is practically impossible to reproduce from one country to another, due primarily to the difference in the conditions--be they economic, political or social--that led to or allowed the triumph of the revolutionary movements.

Based on these arguments, we would like to discuss the characteristics of the popular hegemony process in Nicaraguan society, focusing primarily on the role the mass media play in this process. It is clear that the existence of media that reflect the concerns, needs and aspirations of the masses in their political maturation is a sine qua non for the organization and development of popular power, and therefore for the consolidation of their hegemony.

Studying the role of the mass media in the development of popular hegemony entails a political analysis. We will not discuss the process that is taking place in the economic, social and military spheres in this same way; in these areas, the Nicaraguan revolution has taken very important steps by creating mechanisms to ensure worker control of the means of production and popular control of the state apparatus, in a relationship in which all are mutually strengthened. This process is possible because the Sandinist National Liberation Front (FSLN) has made progress in consolidating its political hegemony, which has enabled it to carry out economic and social measures and make more headway in the political sphere.

## Hegemony in the New Nicaragua

It is no secret that the development of popular hegemony, though a long and complex process, is not free of contradictions, limitations and tensions that result from the reaction and resistance of the old ruling classes, and from the political maturation of the masses. The consolidation of popular hegemony should be preceded by a transition period during which the masses wage their final battle against the vestiges of the old ruling class and at the same time advance in the construction of institutions and structures.

The leaders of the Sandinist revolution are aware of this situation, which must be faced in any revolution after political power has been attained. They have repeatedly said that "socialism cannot be built by decree or by force." This reveals the revolutionary leaders' awareness of the fact that building a new society and developing popular hegemony is, more than anything else, an act of political will. It is accomplished by the masses and at the same time constitutes a means for them to learn and to become historical protagonists. These factors (means of learning and means of maturation), far from being separated or divorced from the process of creating popular hegemony, are intrinsically related to the political actions of the masses. They are a dynamic factor that accelerates or retards the consolidation of that hegemony. For this reason, the consolidation of the new state for which the Nicaraguan society is struggling can only take place on the basis of a constant and conscientious effort, which must be supported by the creative potential of the masses, their historical experience and their critical development, their political capacity and autonomous organization.

It is clear that the above considerations are part of a long process in which the masses become the main protagonists, though the peculiarities of each nation and the objective circumstances surrounding the development also intervene.

In Nicaragua's case, there is no denying that this is an underdeveloped and dependent society. In addition to having been subjected to a dictatorial regime, it lies in a strategic area over which the United States does not have hegemony. These factors have a great impact on the development and consolidation of the political and social transformation that is being carried out as a result of the triumph of the revolution.

One may argue that the fact that broad sectors of Nicaraguan society do not understand the internal and external factors that have affected the development of popular hegemony has posed an obstacle to the leaders of the revolution in the 5 years since their victory. As Xabier Gorostiaga said, "the clamor for a socialist society that has prevailed in worker and peasant organizations in Nicaragua has been met with pragmatism, flexibility and political ingenuity on the part of the Sandinists. They doubt that the kind of socialism the people are calling for would be appropriate or possible given the internal conditions they inherited, the profound underdevelopment and the regional and international situation that prevailed at the time of the Nicaraguan revolution."



Nevertheless, despite the problems that have plagued the revolutionary process since the FSLN took power, it is possible to visualize a series of advances in developing popular hegemony. These advances can be seen in the economy (with the creation of the People's Ownership Area, the establishment of cooperatives and the expansion of Agrarian Reform), in politics (with the participation of the popular organizations in the Council of State, the growing participation by the people in the Sandinist Defense Committees and the Popular Militias), and in ideology and culture (with the creation of the People's Radio Broadcasting Corporation and the Popular Culture Centers). They reflect the revolutionary government's desire to give the masses the tools and means to progress in the construction and consolidation of their hegemony.

### Mass Media and Popular Hegemony

It is within this complex process that the mass media come into play. We will try to analyze their characteristics and difficulties here.

One of the principal characteristics of the mass media in the political-social transformation that is taking place in Nicaragua is that they constitute a political factor of social confrontation. This characteristic arises out of the fact that at present three different forms of mass media ownership exist and are developing: private, popular and state. Each of them has well-defined features and objectives, but it can also be demonstrated that within this mass media structure in Nicaragua, there is a clear political limitation when it comes time to decide which media will be expropriated and which will not.

It is clear, as we will see later, that the structuring of the forms of mass media ownership adheres to one of the original premises of the revolutionary government program: political pluralism. This makes the media factors of political conflict, and therefore of ideological confrontation. It is also evident that an indispensable requirement for developing political pluralism is the democratization of societal structures and active participation by the masses in all aspects of society.

The balance that prevails among the different types of media ownership is relative. In radio, private ownership prevails (60 percent). In the print media, private ownership accounts for 33 percent, while in television and the movies there is practically no private ownership. It can be argued, however, that because of the influence radio has in Nicaragua as a former of opinion, it has become one of the main tools of ideological confrontation, especially on the part of the opposition to the government, as we will see later. The other important element in the ideological confrontation between the reactionary sectors and the masses is the polarization of interests and factions, which is reflected in the print media. We will also discuss that later.

It is easy to see that the revolutionary government's decision to keep private ownership of the mass media was an eminently political decision, whose most immediate objective was to promote an ideological confrontation between the two most important sectors in the transformation process: the social sectors that had been removed from power and the masses that were emerging as a

political class. For this purpose, the new government also turned the expropriated media into instruments of popular expression. Thus, the People's Radio Broadcasting Corporation was formed, and the circulation of popular organizations' newspapers was guaranteed. In this way, the revolutionary government is laying the groundwork for the masses to acquire the necessary experience from the very beginning, so that they can manage the media as elements of ideological confrontation. This places them on an equal footing, in terms of ownership, in the development of the ideological battle to attain class hegemony.

The Sandinist government, within this ideological struggle, retains ownership of one daily (BARRICADA), two radio stations (Radio Sandino and La Voz de Nicaragua), two television channels, and the Nicaraguan Film Institute (the latter through the Ministry of Culture). It is noteworthy, however, that under this form of ownership both the new state and the political organization that is at the vanguard of the revolutionary process, the FSLN, are represented. This emphasizes the political function assigned to the mass media, and the symbiotic relationship between government and political organization. This, added to the influence acquired by the mass organizations in the field of communication, delineates and defines the nature of the mass media in the development of popular hegemony.

To the above picture we must add one more element, however, which is part of the ideological confrontation that is taking place in Nicaraguan society: the formation of the counterrevolutionary 15 September radio station and the recent establishment of a Voice of America station by the U.S. Government, broadcasting from Costa Rican and Honduran territory. They constitute the external front of the ideological battle, since it is no secret that the American radio station's antennas will be aimed toward and against Nicaragua as well, giving more impetus to the military operations of the Democratic Revolutionary Alliance (ARDE) and the Nicaraguan Democratic Force (FDN) in this country. The Costa Rican repeater is expected to be able to cover all of southern Nicaragua, while the Honduran one will cover the northern part.

#### Situation and Trends

Nicaragua's communications infrastructure is limited to three daily newspapers, seven regular newspapers, four political and economic analysis magazines, 45 radio stations, two television channels, one film institute and four institutions that promote publishing activities. In the case of the daily press and the radio, it is possible to imagine the polarization of political and ideological interests and factions. This is not true, however, of the magazines, television, film and publishing establishments, where there is clear support for the principles and development of the revolutionary process, even in the media that are considered to be independent.

We will limit ourselves to discussing the most important elements in this ideological confrontation and in the development of popular hegemony: the daily press, radio and television. In addition to being the most important in terms of the ideological battle, they are the elements that have developed the furthest in their relations with the masses; the latter clearly are participating fully in these media.

The Nicaraguan press consists of three daily newspapers: BARRICADA, the official organ of the FSLN; EL NUEVO DIARIO, an independent newspaper; and LA PRENSA, regarded as the voice of the domestic reactionary interests. In addition, there are seven regularly circulating newspapers that are put out by the political parties and the mass organizations.

Of the three dailies, LA PRENSA has become the ideological axis of the domestic reactionaries. Its articles against the government have forced it to submit to press censorship on many occasions. EL NUEVO DIARIO, on the other hand, has declared itself an independent, revolutionary, critical newspaper that does not toe the official line. It does support the Sandinist government politically, because in the opinion of its editor, "this is the only institution that is capable of bringing about the social changes Nicaragua needs, and because it enjoys the support of the masses." BARRICADA, as the official organ of the FSLN, has the important task of combining the propagandistic function that any revolutionary vanguard requires with the informative function that the masses require in terms of news and information. At present its daily circulation exceeds 100,000, double that of EL NUEVO DIARIO and LA PRENSA. This gives some idea of the role it has been assigned within the ideological confrontation.

Although the FSLN took power only a short time ago, it is clear that the Nicaraguan press, as embodied by BARRICADA and EL NUEVO DIARIO, has adopted a journalistic style that reflects the interests of the masses. There is full freedom of expression, except with regard to military affairs, which guarantees popular criticism of the errors committed by the government and its officials. It is also evident that there is a trend toward popular participation in journalistic communication.

#### Radio

Private ownership plays a major role in this medium, and because of the very cultural and educational backwardness of the Nicaraguan people, radio has become the most important medium in terms of forming opinions. This means that there is ample room for the dissemination of political and ideological ideas.

Of the 45 radio stations in the country, 27 belong to private owners who operate them commercially, selling advertising time. One station, Radio Sandino, is operated by the FSLN; one serves as the official voice of the government (La Voz de Nicaragua); and 16 are in the hands of the People's Radio Broadcasting Corporation (CORADEP), which broadcasts propaganda and political education programs for the FSLN mass organizations.

Just as with the print media, in this medium there is a political limitation in terms of both the structure of ownership and program content in each of the sectors represented.

The political spectrum of the private radio stations includes the right as well as the Church, and right-wing sectors associated with the counterrevolutionary organizations. The use of a variety of misinformation, destabilization and diversionary tactics is also evident. These practices, mixed with

the programming on each radio station, represent attempts to undermine the new government and to misinform the people of Nicaragua.

Issue No. 67 of "Cuadernos del Tercer Mundo" [Third World Notebook] contains an analysis of the political interests that are behind these private stations and the type of programs they broadcast. The report states that the principal private stations are Radio Corporacion and Radio Mundial, which speak for the right. One of the owners of Radio Corporacion was Fabian Gadea, who now leads the counterrevolutionary Nicaraguan Democratic Front.

Two other major private radio stations are Radio Catolica, which belongs to the Archbishopric of Managua, and Radio Ondas de Luz, of the evangelical churches. Both broadcast biblical messages, and the former, which is run by the priest Bismarck Garballo, directly attacks the Sandinist government. It broadcasts the highly political homilies that Msgr Miguel Obando y Bravo, the principal leader of the domestic opposition, reads every Sunday at the church in the bourgeois neighborhood of Las Sierritas, as he sports his beautiful green robes and his gold-framed glasses.

Lesser private stations in Managua include Canal 130, with traditional programming for a petite bourgeoisie audience; Gueguense, which broadcasts only classical music; Reloj, which gives the time and curious news items such as the birth of a two-headed pig; Tiempo, which opposes the government and is owned by a man who also owns an advertising agency; Noticias, which has a traditional format and advocates progressive positions; Stereo Azul, which broadcasts only music on FM; Xolotlan, which has music, sports and novelties but also specializes in advice for women on how to be good housewives, an occupation to which it says they should limit themselves; and El Fabuloso Siete, which closely follows the marriages and divorces of Princess Caroline of Monaco and the pregnancies of Lady Di, and is owned by the brother of Manuel Giron, a Somozaist leader who operates his own Radio Sandino out of Costa Rica.

Obviously, the range of programming and the interests represented by private radio stations is much broader, but its opposition to the government and the titillating quality of its informational programs stand out. It is also noteworthy that there is no single axis of confrontation with the Sandinist government, which reveals the diversity of political lines and the lack of political cohesion among the sectors of the opposition.

With the triumph of the FSLN, another type of radio station ownership and programming emerged. Sixteen radio stations were assigned to the masses and one each to the new government and the FSLN. In this way, the revolutionary government gave the masses 35 percent of existing stations in the country, giving these sectors an opportunity to respond to the attacks from the reactionaries. At the same time, however, it put the different factions in the ideological confrontation that was unleashed immediately after the FSLN took over, on relatively equal footing.

The CORADEP radio stations, which are departmental, had belonged to prominent people in the Somoza regime. Ten of them were occupied during the insurrec-

tion as the popular forces advanced toward Managua. In general, these are low-power stations.

The government runs the radio station La Voz de Nicaragua, whose programming is characterized by its informative value. Every 15 minutes the musical programming is interrupted for news, and on some occasions speeches by FSLN leaders are transmitted directly over the radio. That was done when Daniel Ortega spoke before the United Nations General Assembly in 1983.

The FSLN controls Radio Sandino, which allows it to broadcast its own political declarations and to have an impact on the political-ideological development of the sectors it reaches. In addition to its news programs, this station has humorous programs such as "El tren de las seis," which depicts the new political situation in the country, and "Apretando la tuerca," which features live interviews with government leaders and officials. The director of this station, Jesus Miguel Blandon, has stated that "radio's task in the revolutionary process is summed up as follows: to inform, to educate, and to entertain." He said that his station is a cultural broadcasting station with specific policies that aim at following through on the guidance provided by the national government leadership.

The same opinion seems to prevail among the CORADEP stations, however. This implies that the masses have a clearer understanding than the opposition of the political use that can be made of radio.

#### Television

When the FSLN took power, the two television stations in Nicaragua were nationalized. This gave rise to the Sandinist Television System, which combined Channel 2, formerly owned by the company Televiscentro de Nicaragua, and Channel 6, Television de Nicaragua, owned by Somoza.

The creation of the Sandinist Television System immediately changed the eminently commercial nature of television, and the content of the programming that had prevailed in this medium before the triumph of the FSLN. With the few available technical and equipment resources, an effort was made to provide television programming that met the needs of the revolutionary process. "In the beginning," recalls the director of the system, "the primary objective was to broadcast to the people the messages of the national leadership of the FSLN and the Government Junta."

Along with the change in program orientation and content, the new Nicaraguan television system set to the task of expanding coverage to the Atlantic Coast region (previously only the Pacific regions of the country received broadcasting). This was accomplished within 6 months of the revolution.

At present, the Sandinist Television System broadcasts live programming, series from the United States and Europe, and television theater programs from Brazil, Mexico, Argentina and the socialist bloc. Under the Somoza regime, 80 percent of the programs were from the United States and Mexico. This change in the origin of programs represents a significant step forward in Nicaraguan television.

Among the regular programs, most noteworthy--both because of the importance attributed to it by the current television administration and because of the tendency to develop programs with more popular participation--is the program "De Cara al Pueblo" [Facing the People], which is also broadcast on the radio. It lasts 1 hour and comes on once a week. As a television system official told us, "you can see and hear the serious mistakes the people make in asking their questions, but they ask anyway, and our government responds as well as it can. On this program, which is also broadcast live, you can observe all the ministers responding to the people's concerns. No one has ever seen this before. The revolution is happening now. The people participate because they are anxious to hear the response to their concerns, and they do hear it; a positive response comes in the form of deeds, not just words." The other program that should be mentioned in the new television structure is the "Noticiero Sandinista" [Sandinist News], which is considered to be the backbone of current programming.

Although it is clear that a major change has taken place in Nicaraguan television, however, it is also clear that our television has a long way to go in achieving the level of technical and technological development and of national production that its administrators would like so that they can provide better service to the Nicaraguan people. Despite the intensive process of educating and training technicians, the international assistance that has been coming in all these years, and the trend toward producing national programs, problems related to technical and human resources still abound, and foreign television stations still penetrate the market. With regard to the latter problem, the director of the system, Ivan Garcia, has stated the following: "We are aware, and it is obvious, that higher power facilities have been built in Nicaragua's neighboring countries to penetrate our territory. The objective is to turn our people against the revolutionary process, and to divert their attention. While we broadcast the news, they put soap operas on. Or when we put on a cultural program, they put on a program with violence."

#### Managing the Media

Although when it took power the revolutionary government did not have a previously planned communications policy, it immediately set to the task of creating a framework of participation and democracy in the management of the mass media, to ensure the development of political pluralism and freedom of the press.

The measures that have been implemented and the agencies and laws that have been set up to regulate the functioning of the mass media are an indication of the importance the new government attributes to them, in terms of the intensification of the ideological battle as well as the expansion of the revolutionary process and the dissemination of revolutionary advances. The revolutionary state has the role of regulating the media from this perspective.

For this purpose, the Communication Media Office was created. At first it fell under the jurisdiction of the Ministry of Culture, and then it was moved to the Interior Ministry. It is a specialized agency that regulates the mass media and ensures that they develop in accordance with national interests and the accomplishments of the people. In addition, the Somoza regime's Radio and

Television Code was repealed and the former Office of Radio and Television, which had operated as an agency of the National Guard, was disbanded. In August 1979, a General Provisional Law on the Communication Media was promulgated, establishing general guidelines for defending the "freedom of expression." Among other things, this law provides that the state should guarantee that there is no possibility of subordinating this freedom to the economic interests of any social group, and that the mass media will not become instruments of anti-popular interests. In addition, the media are regarded as vehicles for the development of education and culture, and standards are adopted to prevent advertising that denigrates women and human dignity in general.

Nevertheless, despite the aforementioned measures, the government has been forced to resort to the temporary suspension of news broadcasts on the private radio stations, and to impose press censorship on any reports that violate the provisions of the State of National Emergency that was decreed in March 1982. The latter measure has affected the "informative efforts" of the well-known opposition daily LA PRENSA. But the adoption of an authoritarian line or the nationalization of the news, as some see it, is a response to the state of war that exists in Nicaragua, and to the attempts to destabilize the revolution, which have been carried out by the private media with support from the U.S. Government through its embassy. As Lt Nelba Cecilia Blandon, director of the Office of Communication Media, has pointed out, "among other things, LA PRENSA has published on its editorial page articles from the bulletin of the U.S. Embassy in Managua, without citing that reference and without a signature. Moreover, LA PRENSA has even reprinted articles from the United States International Communication Agency, under the camouflage of a special service in Miami."

Beyond the restrictions on broadcasting military information, there is no censorship in the economic, social and political areas; there the private media are free to report information in accordance with their own interests, as long as they meet the criteria set forth by the government.

The power the Sandinist regime has over communications, however, also includes the control of influential media such as the press (BARRICADA), radio (Radio Sandino and La Voz de Nicaragua), and television (Sandinist Television System), which enables it to have a significant impact on public opinion.

The presence of the state in the media ownership structure, in addition to the influence it exerts on the stations affiliated with CORADEP and the regulatory function it serves in the legal sphere, have given the media a political function. In this context, their use as means of propaganda, political training and education to further the revolutionary process, at times employing language imbued with revolutionary rhetoric, is evident. They have also helped to define the axes of the political confrontation that is taking place in the struggle for hegemony in the area of communications.

#### Blow to Opposition Groups

All indications are that the current ownership structure of the mass media will remain unchanged for a considerable period of time. Statements by

government officials to the effect that a mixed economy, political pluralism and respect for private property will be maintained, all point to this conclusion.

Moreover, the recent passage of the Communications Media Bill, which was debated and voted upon by the Council of State in June 1984, reveals that the ownership structure will not be changed. Even so, the representatives of the private media are left out of the decision-making process with the establishment of a National Social Communication Council, made up of nine members: four representatives of the state (of the Government Junta and the Ministries of Education, Culture and the Interior), a delegate from the National University School of Journalism, two representatives of communications workers, and two other media representatives.

In this way, by combining the legal control and the ownership of the mass media, the Sandinist government has taken over the media, thus guaranteeing the exercise of hegemony that it has already consolidated in other areas of society. It also deals a harsh blow to the opposition groups by shutting them out of any possibility of decision-making and participation in the design of the communication model that the revolutionary process and the development of popular hegemony require.

8926

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NICARAGUA

AMBASSADOR JORGE JENKINS CITES INCREASED SUPPORT IN SWEDEN

Stockholm DAGENS NYHETER in Swedish 22 Jul 85 p 11

[Article by Eva Stenvang]

/Text/ Despite the fact that Nicaragua has often found itself in the midst of the heat in the Swedish debate, opinion has not become more negative. "Actually, support has increased," says Nicaragua's departing ambassador, Jorge Jenkins, when he summarizes the three years he has represented his country here.

"I have encountered solidarity with Nicaragua from so many different places," he says. Labor unions, support committees, individual persons and not least of all the Swedish government. More and more people have contributed toward the realization of the development project in Nicaragua or have travelled there to see how it is with their own eyes.

"It is said that the peoples of Scandinavia are so cold," he adds with a wry smile. "But I haven't noticed much of it. Instead, I have encountered an enormous amount of warmth during my three years here."

Jorge Jenkins came to Sweden in October 1982 as ambassador to Sweden and the other Nordic countries. The Swedish state aid to Nicaragua was then 50 million kronor. Today, it is up around 90 million, and there are also loans and donations.

"A sign as good as any for increased confidence in Nicaragua," he says.

Palme's Support

Jenkins also cites the statements which the Swedish government has made in support of the Sandinista government. Not least of all in connection with the election in November 1984 and upon Olof Palme's visit to Nicaragua earlier this year.

The government has also declared that possibilities will be studied to remit Nicaragua's debt to Sweden. If this comes about, then Sweden has shown a more realistic attitude than most other countries concerning the Third World's burden of debt.

However, the ambassador's time in Sweden has been far from a honeymoon with the Swedes. Jenkins has had to experience many hard debates where the Sandinista government's policy has been put to question. The Miskito Indians' situation is an example. The press censorship and the political opposition's possibilities to operate is another.

He himself took part in the Miskito debate, which culminated just over a year ago. Among other things, he wrote a debate article which was published in DAGENS NYHETER.

His action did not just have a goal toward defending the Sandinista's behavior toward the Indians. Jorge Jenkins is an anthropologist and has visited among the Indian population for long periods of time.

#### Indian Book

Now he has also written a book on the Miskito Indians. It will be translated into English, but no Swedish publishing house has announced any interest. This is a shame, because especially in Sweden, interest in the Miskito issue has been very great.

Jenkins emphasizes the importance of knowing what the history of the Atlantic coast has meant for current conflicts. This is what his book is about.

"For centuries there have been great confrontations between the Spanish-influenced west coast and the longtime English-dominated east coast, where the Indians live," he summarizes. After the revolution these blew up again.

Now the Atlantic coast is going to get a certain amount of self-rule. A plan for this will soon be presented to Nicaragua's parliament.

#### Freedom of the Press

Press censorship has been another hot potato in the Swedish Nicaragua debate.

"We know that this has not been seen with conciliatory eyes by the outside world, and we have tried to minimize it as much as possible. However, while freedom of the press is a matter of course in peacetime, it is otherwise in wartime. The day the United States ceases its aggressive actions against our country, press censorship will also cease - immediately."

Despite criticism he maintains that Nicaragua can count on broad support from the Swedish people; as long as a mixed economy, political plurism and freedom from alliances are maintained.

"The Conservatives do not support the USA's policy concerning Nicaragua, either, even if they are critical of much we have." Mr. Adelsohn has been quite clear on this point.

Jorge Jenkins --the name also bears witness to the previous English influence in Nicaragua-- will now go to Brazil where he has been appointed ambassador. The new ambassador to Scandinavia will be Ricardo Pasos, a 46-year-old philosopher who has previously been president of the University of Managua.

PARAGUAY

# FERELPAR MESSAGE FOCUSES ON SOCIAL, POLITICAL DETERIORATION

Asuncion ULTIMA HORA in Spanish 13 July 85 p 19

[Text] FERELPAR (Federation of Religious of Paraguay) urges young people "to take up the task of rebuilding the nation's moral fiber," in a message released at the close of the 26th National Assembly of that organization. It says that "The time has come for greater participation on all levels."

As the high point of its 26th National Assembly, FERELPAR released a message addressed to the younger generation, emphasizing that "The time has come today to take up the task of rebuilding the nation's moral fiber; the time has come for greater participation on all levels."

The message was issued in view of the "difficult situation which our country is going through and the challenge which that implies as far as we are concerned" because "we cannot close our eyes to the social and political deterioration amid which we live."

The religious warned the young people that "difficult times are approaching in terms of social and political coexistence. We must be prepared for a calm dialogue. In this situation we young people must contribute a renewed and creative vision which will supply new solutions for the needs of our people so that we may not make the same mistake over again," according to the FERELPAR document.

"We share the concerns of the young high school and college students, the workers and peasants who are fighting to organize themselves and defend their rights; we invite all young people of both sexes to unite, to organize themselves strongly and to take up their protagonism in the construction of a better society," the document points out later on.

"We believe that Christ, in us," the document continues, "is the key and the impetus for the transformation of society and the complete liberation of man. We believe that his spirit of love must persuade us to reject everything that violates the dignity of man."

"We believe that Mary, the Mother of Jesus," the document continues, "the Mountain Virgin of Caacupe will intercede and will create an awareness in the

young people so that we may all work together as the neediest children. We believe that this same spirit which provided impetus for our legitimate pastors in assuming their prophetic mission, in announcing the good news and denouncing everything that is opposed to it, implies that we should join in with them, especially in the person of the chairman of the CEP [Paraguayan Student Committee] Msgr Ismael Rolon Silvero, and we feel inspired by the courage which they displayed in guiding us toward liberation."

Finally the letter recalls the words of Jesus: You will have to suffer in the world but you must be valiant: I have overcome the world."

To Fr Lucas

Assembly spokesmen also released a letter addressed to the Rev Fr Juan Antonio Lucas who currently resides in Spain. "We are doing everything possible to bring about the triumph of truth and justice; in spite of the difficulties and obstacles we may encounter, we continue to be confident that, some day not far off, there will be justice for you in Paraguay and that you will be able to return," the letter says in one of its passages.

5058

CSO: 3348/864

PARAGUAY

NEED TO SEEK SOLUTIONS FOR SOCIAL PROBLEMS UNDERLINED

Asuncion ULTIMA HORA in Spanish 13 Jul 85 p 14

[Text] For some time now, the city of Asuncion has been displaying some sign of the deterioration of the social problem throughout the country. The spread of the poor sections along the outskirts not only surrounds the capital with its typical ramshackle and crowded features but is also manifest in the city's downtown streets and avenues. Begging, by children and adults, is on the increase and we are already facing a phenomenon that gives the city a depressing profile. The itinerant workers, the streets vendors, and the children who offer to wash the windshields of cars are likewise becoming more and more numerous and bear witness to a social situation of worrisome poverty.

The solution to these problems cannot come without the prior eradication of the causal factors. No compulsive measure, no attitude or program of a charitable character will do when it comes to tackling those problems effectively. In other words, it will do no good to pick the street vendor and begging children out of the city's downtown section. The use of force may temporarily cover up a social and human problem but will fail to offer viable alternatives for solution, with the possibility that, when coercive action is suspended, the problem will only return with even more intensity. Likewise, simple welfare programs may somewhat mitigate the difficulties encountered but they will never be suitable for putting an end to them once and for all.

We must consequently look for basic solutions. In this connection it will have to be understood that the root of this social problem complex is to be found in the spread of poverty, unemployment, and underemployment, in addition to the lack of a housing program for the poorest families.

Poverty spreads either because of lack of work, because of seasonal or irregular jobs, or because the wage is so low that it does not cover the minimum needs of a poor family. Unemployment and underemployment are the results of a decline in the demand for labor which, in the case of Paraguay, is the result of insufficient expansion in the means of production or, simply, the sources of jobs, such as the service and commerce sectors.

Due to this large number of conditioning factors, the government will have to concern itself with initiatives which, on a priority basis and urgently, will promote the creation of job forces, granting the necessary facilities for that objective. This can involve financial programs and tax reduction. The important thing is to create the means of employment which may satisfy the demand for idle labor due to the lack of work opportunities. Parallel to that it will be necessary to make the indispensable adjustments in the economic field to give greater purchasing power to the real value of wages.

Likewise, we need a vast program of social assistance. We must build housing that will be within the reach of all. It will not be difficult to get financing for that. We must also create the means so that everybody may receive adequate food and clothing. Likewise we must build schools and orphanages. Only in this way, with an overall plan, which will offer work, higher wages, aid, assistance, and education, will it be possible to reduce and perhaps eradicate the social problems that are beginning to cast their heavy shadows over Paraguay.

5058

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PARAGUAY

BRIEFS

PLRA ANNOUNCES ABSTENTIONIST CAMPAIGN--The directorate of the PLRA (Authentic Radical Liberal Party) has decided to launch an abstentionist campaign concerning the municipal elections this coming October. This was announced by Miguel Abdon Saguier, the secretary-general of that political group. The political leader added that "We will send a rather lengthy note to all of our leaders in the capital and in the interior of the republic so that they will not lend themselves to the machinations of the government officials in agreeing to participate in the proselyte campaign instead of getting some elective job." Dr Saguier also said that "We are prepared to put up with any attitude adopted by the representatives of the party in power against the abstentionist drive which we will carry out because we cannot lend ourselves to a game such as this one." Saguier also announced that the PLRA directorate has decided not to talk about the unity of the liberals any longer. "We have decided to end all negotiations that were started for this purpose and we did so for obvious reasons. Harmful elements have intruded in this effort and we can no longer talk about this topic," he said. [Text] [Asuncion ULTIMA HORA in Spanish 13 Jul 85 p 10] 5058

CSO: 3348/864

PERU

ALAN GARCIA'S LINEAGE SHOWS PROMINENT SPANISH ANCESTRY

Lima CARETAS in Spanish 30 Jul 85 pp 1-3

[Text] Alan de Garcia y Perez

Lima, 17 July 1985

To the Editor:

Noting the family tree of the Belaunde family (CARETAS No 860), I consider it pertinent to comment on President Alan Garcia's Trujillo origin.

The surname Garcia is very widespread in Spain and America, and there is no interrelationship among the various lineages with this name.

In his "Dictionary of Nobility," Julio de Atienza, a famous Spanish genealogist, states that, as early as 843, a Ramiro Garcia was ruling the city of Leon; and hence the Garcia de Leon and Galicia families are the oldest with this surname. Upon the reconquest of Spain, this lineage spread extensively all over the peninsula, with many of its branches attesting to their nobility in the Royal Chanceries of Valladolid and Granada, and in the Royal Tribunal of Oviedo.

The coat of arms of the Garcia de Sevilla family, with whom we are concerned in this report, is: "In a field of silver, a sable (black) heron, with its breast showing a gules (red) split; a blue bordure with eight gold crosses," bearing this motto: "Of Garcia above, let no one speak."

The first prominent member of this family who came to Peru about 1756 was the Andalusian, Don Andres Garcia Coutino, captain of militias, with the position of Senior Officer of the Royal Treasury of Trujillo. He was a native of Sevilla and son of Don Carlos Garcia Doblado and Dona Ysabel Coutino y Falco. In the aforementioned northern city, he married Dona Ysabel Coronel Unzueta, a member of the most prominent local families, in 1757.

The Garcia Coronel couple had 12 children, all born in Trujillo. Three of them resided in Piura from their youth: Dr Pedro, elected deputy to the Cortes in 1811, when he was a priest and vicar of the doctrine in Ayabaca; Don Nazario, owner of large estates, married, in Piura, Dona Maria Ysidora Carrasco y



Merino, with a lengthy succession extending until our time, including the families Garcia Leon, Garcia Seminario, Vegas Garcia, Garcia Vegas, Garcia Wicks, Seminario Garcia, etc.; and Don Juan Jose, married Dona Bernarda Gallardo, who also had an abundant succession, the latter being the direct, legitimate ancestor of Dr Alan Garcia Perez, president of Peru; because he comes from the consecutive relations of Garcia Gallardo, Garcia Varillas, Garcia Grillo and Garcia Ronceros, as may be noted on his family tree.

Don Nazario's descendants were engaged in the militia, politics and agriculture. The ancestors and relatives of the current president, on the other hand, were merchants, industrialists and owners of urban properties. In the departmental records of La Libertad and Piura, there are recorded in the books of clerks and notaries, accounts of the daily activities of Don Andres Garcia Coutino's illustrious descendants; because noted therein are the purchases of properties and estates, wills and final wishes, etc.

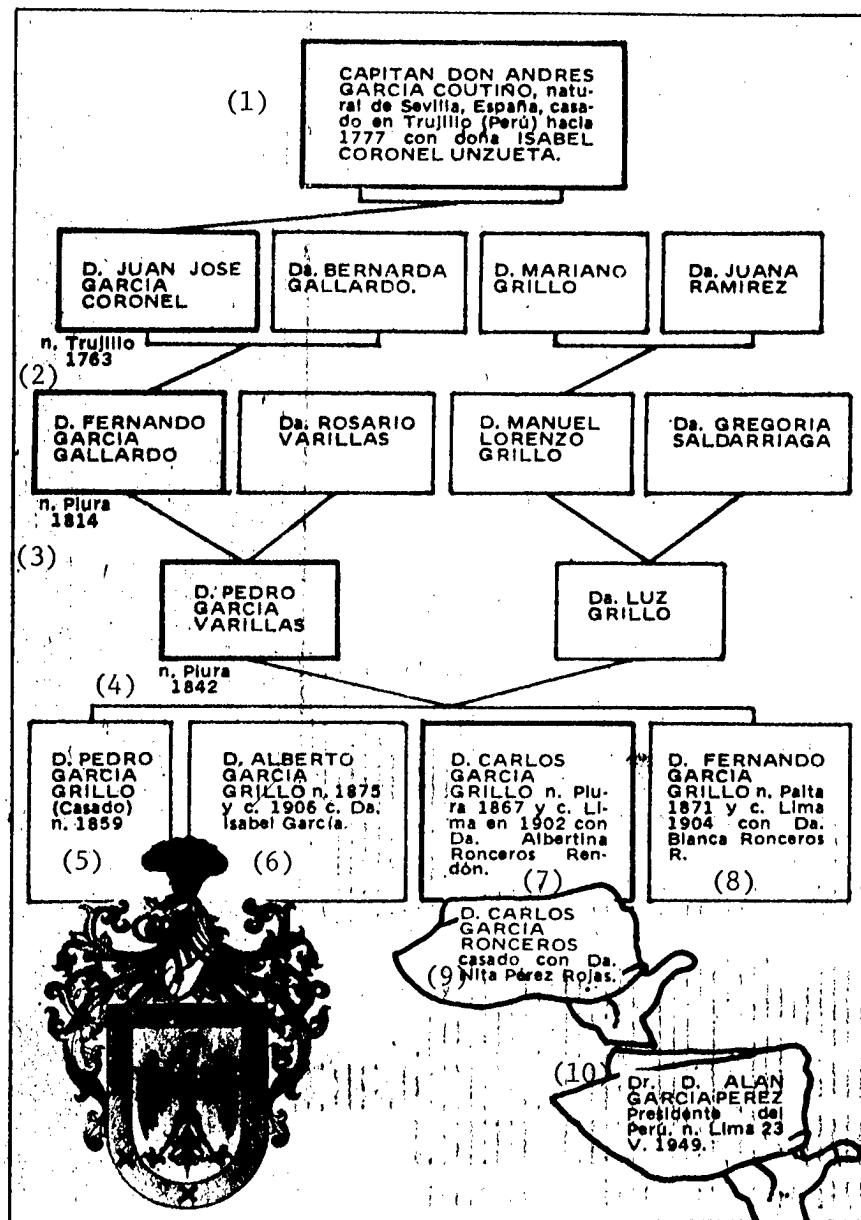
At the end of the last century, Don Pedro Garcia Varillas, President Alan Garcia's great-grandfather, left Piura, his native city, to settle permanently in Lima, along with his sons Pedro, Alberto, Fernando and Carlos Garcia Grillo; setting himself up in a large mansion at No 130 Aumente Street (now Jiron Lima), a section which belonged to the Parish of San Sebastian, in this capital.

Alberto Rosas Siles

276 Arequipa Ave., Lima.

#### Key to Chart

1. Captain Don Andres Garcia Coutino, native of Sevilla, Spain, married in Trujillo (Peru) about 1777 to Dona Isabel Coronel Unzueta
2. Born Trujillo, 1763
3. Born Piura, 1814
4. Born Piura, 1842
5. Don Pedro Garcia Grillo (married), born 1859
6. Don Alberto Garcia Grillo, born 1875 and married 1906 to Dona Isabel Garcia
7. Don Carlos Garcia Grillo, born Piura, 1867, and married in Lima, 1902, to Dona Albertina Roncaros Rendon
8. Don Fernando Garcia Grillo, born Paíta, 1871, and married in Lima, 1904, to Dona Blanca Ronceros R.
9. Don Carlos Garcia Ronceros, married to Dona Nita Perez Rojas
10. Dr Don Alan Garcia Perez, president of Peru, born Lima, 23 May 1949



2909

CSO: 3348/871

PERU

# CREATION OF JOBS SAID NEW ADMINISTRATION'S PRIMARY TASK

Lima PERU ECONOMICO in Spanish Jul 85 pp 4-6

[Text] There are still some who recall, with a certain amount of sarcasm, the electoral pledge made by Fernando Belaunde in 1980, to create a million jobs. The reality that he left at the end of his term is one of a country whose unemployment has risen from 7.0 to 10.9 percent, and whose underemployment has increased from 51.2 to 54.2 percent; while the adequately employed population has declined from 41.8 to 34.9 percent of the economically active population (EAP). President Belaunde attempted to turn his wish into a reality through massive public works, which accrued some results during the first 2 years, but the natural disasters of 1983 and the economic imbalances to which the public works themselves contributed, ended up thwarting the intention of generating employment on a mass scale.

The first problem confronted in discussing the employment issue is the insufficient amount of suitable information. "It is amazing how little is known about such an important matter," remarks Francisco Verdera, a researcher at the Institute of Peruvian Studies, and author of a book on employment. Among the problems cited is the lack of data (the last poll with national coverage was taken in 1978, so that all the annual statistics on employment in Peru are formed by extrapolating the Lima results); as well as the inadequacy of the concept of an economically active population (EAP) in a country in which much of its child population (which is not part of the EAP) has to work in order to survive; and the mistaken calculation of the "adequately employed population" as the one earning most of the minimum living wage of 1967 which, although it is a sum slightly larger than the current minimum pay, is considered by many not to suffice for covering the cost of the family consumption basket. For example, Verdera has estimated, on the basis of a study by Iguiniz and Pataro on the subsistence income, that the adequately employed population which really deserves that designation is a third of what it is usually considered to be. In any event, the existing figure is sufficient to reveal the seriousness of a problem which must be confronted in its entirety if we want to prevent the current political and economic system from ending in a social crisis, the first manifestations of which, subversion and crime, are already present.

For analytical purposes, we can speak of the existence of three major thirds of workers in the country: a decreasing third of rural workers, a variable third of workers in the modern sector of the economy and a growing third of workers in the informal urban sector. It is considered that approximately two thirds of the peasants, half of the informal workers and a third of the workers in the formal urban sector are underemployed; which as a whole constitutes over half of the EAP. In addition to its low level of income, the underemployed population is marked by its low productivity. Officials from the Ministry of Labor and Social Promotion estimate that the underemployed population as a whole produces less than 20 percent of the GDP. At the other extreme, the unionized workers (who constitute a quarter of the modern sector or 8 percent of the EAP) generate 60 percent of the GDP.

Most of the experts on the subject agree that a substantial reduction in unemployment and underemployment over the long term entails a reduction in population growth and the formulation and implementation of a total development strategy that would have as one of its explicit goals the generation of productive and suitably paid jobs. Juan Julio Wicht, professor at the University of the Pacific specializing in the subject, claims that the solution to the employment problem in Peru requires the development of agriculture, intraurban labor migration to industry and an increase in non-traditional exports. Mario Pasco, director of the Institute of Labor Studies, proposes as structural tools for an employment policy prioritization of rural development, and decentralization and promotion of activities with a greater labor density which are not capital-intensive. For the short term, Pasco suggests (among other measures) a reduction in the taxes on wage payments, limitation of overtime and relaxation of certain labor policies for newly created jobs. Similar measures have been promoted by Felipe Gonzalez' government in Spain, based on the concept of "solidarity in employment."

Cesar Pazos, general director of employment in the Ministry of Labor, for his part, claims that "the state should gear itself to the responses that the population itself is giving to its problems," and notes in this connection the employment program known as PROEMPLEO, launched by the vice minister of social promotion, Felipe La Hoz, in 1984, which nevertheless has not received much backing from the government. The purpose of PROEMPLEO is to create and improve productive employment, both in the urban sector and the traditional rural area, through the execution of projects to expand the productive base (reconstruction of sidewalks, soil drainage, the construction of stores and the improvement of roads), and the consolidation of small production units through backing in the form of credit, technical support and training. A technician from the Labor Ministry thinks that, with PROEMPLEO, an investment of \$50 million per year could create direct employment for 30,000 persons on about 5,000 small projects managed by the CORDES and the municipalities. Insofar as credit backing for small business owners is concerned, experiments conducted in Colombia and other Latin American countries indicate that, despite the fact that there are usually no major collateral guarantees, the recovery rate on the loans is very high. An expert from ILO explains: "The fact is that, for a carpenter or a shoemaker, who can ordinarily only be financed with the

extremely expensive informal credit, the opportunity to obtain credit at reasonable rates is too good to miss by not paying on time."

There seems to be every indication that one of the main features of the Aprista government will be the promotion of mass employment, based on the development of programs of the type devised in the context of PROEMPLEO. Victor Lopez, head of the CONAPLAN [National Planning Commission] employment committee, and mentioned as the next vice minister of social promotion in the Ministry of Labor and Social Promotion, comments: "The fundamental priority in APRA's [American Revolutionary Popular Alliance] strategy for economic and social development is to succeed in giving every Peruvian an adequate job." In this connection, it is planned to promote the execution of small labor-intensive projects for the building of productive and social infrastructures, as well as backing associated enterprises, small businessmen, tradesmen and workers in the informal sector with credit and training.

As for the modern sector of the economy, it does not appear that the business proposals regarding labor stability are going to be accepted. On the contrary, it is planned to reduce the period for acquiring stability from 3 years to 2, or 6 months. Edgar Florez, former general director of employment and member of CONAPLAN, explains in this regard that the studies made do not show a significant correlation between the stability law and employment. He notes: "The essence of the stability problem is the matter of discipline; and what is required for this is to clearly regulate the reasons for layoffs." On this topic, the former labor minister, Alfonso Grados, remarks that it is also necessary to determine precisely an expeditious device for reducing personnel for economic reasons. An ILO expert, for his part, suggests that a means for avoiding the political conflict that the law on labor stability is arousing would be to facilitate temporary hiring. He explains: "The idea would be to offer all businesses the opportunity to hire personnel based on a system similar to that of the civil construction workers." On the other hand, the criticism on the part of business owners of the series of charges which raise the cost of salaries is shared by the Aprista technocrats. Nevertheless, the latter maintain that the reduction or elimination of the taxes being challenged must wait until they have been replaced in the context of a projected reform of the tax system.

APRA's fundamental proposal concerning the modern sector is that "this alone will raise its capacity for generating employment if production is reactivated." Part of the desired reactivation (claims Victor Lopez) would come from the larger demand resulting from the creation of a consumption capacity through the mass employment programs, but the main device for reactivation would be the selective, priority use of credit for agriculture, agroindustry and non-traditional exports. Nevertheless, it is obvious that these measures will generate an accelerated inflation, unless the mass employment and selective credit programs which have been projected are carried out at the cost of reduction in other public investment and credit currently available, anticipating that the net effect of the measures on the GDP will be positive.

<b>POBLACION ECONOMICAMENTE ACTIVA EN EL PERU</b> <b>1980 - 1984</b> <b>(Porcentajes)</b>					
(2) Niveles de empleo	1980	1981	1982	1983	1984
(3) <b>DESEMPLEO</b>					
Total	7.0	6.8	7.0	9.2	10.9
(4) Agropecuario	0.3	0.3	0.3	0.3	0.3
(5) No agropecuario	10.9	10.4	10.6	13.9	16.4
(6) <b>SUBEMPLEO</b>					
Total	51.2	47.9	49.9	53.3	54.2
Agropecuario	68.2	61.5	60.9	67.5	63.2
No agropecuario	41.4	40.3	43.9	45.8	49.6
<b>EMPLEO ADECUADO</b>					
Total	41.8	45.3	43.1	37.5	34.9
Agropecuario	31.5	33.2	38.8	32.2	36.5
No agropecuario	47.1	49.3	45.5	40.3	34.0
(7)	Fuente: Ministerio de Trabajo y Promoción Social -- Dirección General de Empleo.				
	Elaboración: APOYO S.A.				
(8)					

Key to Chart 1:

1. Economically Active Population in Peru, 1980-1984 (percentages)
2. Employment levels
3. Unemployment
4. Agricultural-livestock
5. Non-agricultural-livestock
6. Underemployment
7. Source: Ministry of Labor and Social Promotion-General Office of Employment
8. Compilation: APOYO, S.A.

(1)

**POBLACION ECONOMICAMENTE ACTIVA EN  
LIMA METROPOLITANA 1984  
(Porcentajes)**

(2) Activ. Económica	(3) Desempleo	(4) Subempleo	(5) Empleo Adecuado	Total
Total	8.9	36.8	54.3	100.0
(6) Industria	8.5	37.2	54.3	100.0
(7) Construcción	14.4	29.3	66.3	100.0
(8) Comercio	6.2	49.4	44.4	100.0
(9) Servicios	4.4	40.1	55.5	100.0

Fuente: Ministerio de Trabajo y Promoción Social — Dirección General de Empleo.

(10)

**Key to Chart 2:**

1. Economically Active Population in Metropolitan Lima, 1984 (percentages)
2. Economically active
3. Unemployment
4. Underemployment
5. Adequate employment
6. Industry
7. Construction
8. Commerce
9. Services
10. Source: Ministry of Labor and Social Promotion-General Office of Employment

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END